

INSIDE: Manitoba's fight over French

Maclean's

OCTOBER 3, 1993

CANADA'S WEEKLY NEWSMAGAZINE

\$4.25

UNDER THE GUNS IN LEBANON

**Risking a
new Vietnam**

**Life and death
in a battlefield state**



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COVER

Under the guns in Lebanon

As the combined military might of the nations serving with the multinational peacekeeping forces in Lebanon annihilated their deadly arsenal, the spreading civil conflict began to spark fears of a general Middle East war. At the same time, attempts to cement an effective ceasefire spluttered on with little sign of success. —Page 20

COVER PHOTO: AGENCE FRANCE PRESSE



The sorrow and the fury

An Filipino bottled police in fierce anti-government rioting. President Ferdinand Marcos responded with a pledge to crack down on civil disobedience. —Page 26



The facility of the Expos

For the fifth year in a row the Montreal Expos' dreams of World Series glory have turned to ashes. It may be time for major changes at the club. —Page 47

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Fighting over French rights

The recent flare-up over French rights in Mauritania has caused divisions, fear and confusion. And the tense situation could turn explosive before long. —Page 14



Grand acts

When Robin Phillips' Grand Theatre opened its season in London, Oct., it was clear that the prince of Canadian theatre had returned with a vengeance. —Page 45



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Balancing terror

I must congratulate Maclean's for its Sept. 18 cover story, *Flight into darkness*, which was surprisingly free of the anti-Soviet hysteria the media have indulged in since the downing of the Korean passenger jet. In that same article U.S. President Ronald Reagan is quoted referring to the Soviet Union as "...a state whose values permit such atrocities?" I wonder what he would have to say about a state whose values permitted the dropping of two atomic bombs on Japanese cities just to show the world that it has the technology to do so. A state such as this would have no qualms about risking the lives of 300 innocent people as a cover for a spying—or worse—a bombing—mission into enemy territory.

—RUSSELL COLEMAN
Prince George, B.C.

For many years governments have been swearing on that the safest way to peace is through a balance of terror. Now 300 people on KAL Flight 007 are dead because the Soviet Union was afraid that its defenses had been spied on. Can there be any better argument for every citizen of the world to work for disarmament?

—HELENA TALKER
Somerville, Mass.

The shooting down of an unarmed passenger plane is clearly not the act of a self-assured country confident of its military superiority. It is the act of a hypervigilant country willing to pay an enormous price in international goodwill for the smallest of provocations. We can take this as evidence of the extent to which the Soviets are genuinely nervous about us. On the basis of



Anti-Soviet rally: doubts and searches

that, any thoughtful person would be sure to wonder whether we are doing anything to give the Soviets cause to doubt our own intentions and if this might not have something to do with their belated attitude toward us.

—DETROIT HERALD
World Federation of Canada,
Toronto

Banks support a soaring success

Peter C. Newman, in his column on Spar Aerospace (Spar's soaring success in space, *Business Watch*, Aug. 28), states that the company's Brazilian sale "could not have been achieved without the supportive support of Prudential Trust." I agree. However, Newman could also have noted "near without the aggressive support of the Canadian banking industry," for it was a consortium of banks led by the Royal Bank of Canada and the Bank of Nova Scotia that provided Telesat, the Brazilian government-owned communications corporation, with funds to finance the Spar contract.

—VERNON MCLEAT
Senior Vice-President, World Trade,
International Banking Division,
The Royal Bank of Canada,
Toronto

Correction

An article headlined *Cooking in an oven* appeared in some editions of the Sept. 18 issue of Maclean's. Maclean's did not intend to imply that Trivis-Challenge had copied Trivis Parrot. Indeed, some of the same people involved in Trivis-Challenge helped originate the cat TV show. Trivis six years ago. Maclean's did not intend to imply that Trivis-Challenge had circumvented any legal obligations; its originators have indeed complied with copyright law. Maclean's regrets the error.

REMEMBER Mayor Moore, 66, playwright, actor, producer, critic, professor and champion of Canadian arts, as the chairman of the Canada Council, a position he has held for the past four years, in Ottawa. Moore resigned for "personal reasons" effective the end of September, but no replacement has been named.

DEAR Andrew Brown, 76, a founder of the New Democratic Party and noted civil liberties lawyer, of a last attack in Victoria. Brown was a past president of the Ontario Co-operative Commonwealth Federation from 1946 to 1948 and later became its national treasurer. Brown represented Japanese Canadians in opposing the government's plan for mass deportations after the Second World War and drafted the Saskatchewan Trade Labor Act. He was the MP for Toronto's Greenwood riding between 1962 and 1970, during which time he brought welcomed attention to House of Commons debates.

AWARENESS The William J. Donovan medal to Sir William Stephenson, 81, Canadian-born spy-master during the Second World War, was conferred Friday by the vicereine of the Office of Strategic Services, the forerunner of the CIA, in New York. Stephenson gave a speech condemning Soviet determination to dominate the world and periodically failed to mention Prime Minister Pierre Trudeau when he listed Western leaders who, he said, are alert to the Communist threat.

RECONCILIATION Gord Heidebrein, the reporter who bought the forged Hitler diaries for \$200,000, when a real case judicial review, in Edmonton. Walter Schreiber, Heidebrein's attorney, said that his client had been completely misled of allegations that he helped Ronald Reagan to forge the 88 handwritten notes, keeping part of the unrecovered \$1.75 million paid by Storm. The state prosecutor, however, said later last week that he would discuss Heidebrein's request on the suspension that he pocketed \$400,000 from the sale.

CONVICTED Roy Lapowsky, 52, on four charges of assault causing bodily harm and a reduced charge of common assault, and his wife, Jean, 54, jointly on two charges, by Mr. Justice Russell Blain, in Calgary. The couple had been charged with 16 counts of assaulting children entrusted to them at their 20-year-old group home and boarding school. Lapowsky was sentenced to nine months in jail, and his wife received a two-year suspended sentence.

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Review: calling a spade a spade
Maclean's does well to interview Eugene V. Bastow (Q&A, Aug. 22), who, with decades of experience and immense knowledge of both Soviet and U.S. weaponry, knows hard and shoulders above the superficial ignorance of the "peace" movement. Bastow is indeed that mixture of wishful thinking and outright fraud, for it represented to real change in the Soviet Union's "struggle against imperialism" (that is the Western democracies) to which Leonid Brezhnev dedicated himself at the 25th Party Congress. For calling a spade a spade, Bastow will be awarded as a "hawk" and a "Cold Warrior".
—GREG LANSING,
Vancouver

A failure to get a grip

Maloney's free grip (Caser, Aug. 20) may well be an accurate description of Brian Maloney's hold on the Progressive Conservative party's attention, but the title seems apt given the government's grip on economic realities. In recent interviews he has confessed his belief that Canada requires foreign investment to create jobs. A failure to grasp the economic productivity of the domestic-side stimulation offered by transfer payments means a serious impediment to an ailing prime minister. If Maloney seeks to offer an alternative to the policies, as well as the existence, of the federal government, he would be well advised to rely on more than cliché of conventional wisdom.
—DANIEL DUBO,
Ottawa

The sins of illicit sexuality

I take exception to what Father Alphonse De Valk said in his letter to the editor (on abortion, Aug. 11). Although it is true that the Catholic church saw penance with excommunication those who have had an abortion, it is not fair for him to imply that this form of punishment has been an effective tradition for "almost 2,000 years". In fact, this form of punishment is fairly recent in church history (1680), and what is also recent is the teaching that abortion is homicide at every stage of fetal development. There has been a great deal of debate within the church over the issue of when human life begins, with the majority opinion of both the papacy and moral theologians being that the soul enters the body sometime after conception. This view is consistent with other articles of faith—i.e., that there cannot be a human soul in a less than fully human body. Up until 1980 there are many examples of the church allowing abortion for various reasons. The church has only been consistent in punishing abortion because it considered the act of illicit sexuality not because it

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is killing a human life. Because of this inconsistency in teaching and practice, the Pope cannot and has not spoken infallibly on the subject of abortion, or birth control for that matter, although with his heavy-handed words, extreme pessimism and use of Canon Law he appears to have done so. I would ask De Valk to look deeper into the tenets of his faith and the history of debate in his own church and not to misrepresent the true nature of the issue to the public.

—CARY WILLIAMS, Saskatoon

Easy steps to lower interest rates.

This is an reference to the article *The nervous money markets* (Business, Sept. 5) Your magazine, in this and other similar articles, has continued to focus only on the government spending aspect of the interest rate debate. This analysis, however, ignores two other factors which would lead to lower (or constant) future interest rates, even in the face of higher government spending. First of all, most of Canada's industries are operating at barely 65 per cent of available capacity. Any increase in demand for goods will not be met by production from new machinery. These firms will simply use existing machinery. Thus, initially, business demand for funds will be limited. Secondly, when business profits rise, as they should in a recovery, the pool of available funds for banks to loan out will also increase. Businesses will save more. With the amount of funds available for loans going up and the demand by business for these funds low, the present recovery should be able to handle increased government spending.

—HELEN ROBERTSON, Halifax

In keeping with Canada's apologetic after-you-alphabetism attempt, to follow the Reagan-Thatcher restraint, I would like to suggest the elimination of an obvious redundancy. Rather than have these restraint policies passed, changed and periodically through provincial and federal legislatures, could we not, instead, eliminate WILLIAM REMATT, Pierre Trudeau and their cabinet cronies—the obvious middlemen in this charade? We could then have restraint policies delivered directly from their mouths, the headquarters of Canada's major corporations. Our corporate leaders could operate by decree, issuing their edicts by ticker tape from the Toronto Stock Exchange. Direct contact between our political policymakers (aka "Corporate Canada") and their humble workers (aka "The people") would be easier, faster and more cost-efficient.

—PATRICK D'NEEL, Port Simpson, B.C.

Synthetic exploiters in one pot

Regarding Allan Fotheringham's column *The Politics of Religion* (Sept. 5), while I find myself in agreement with the intent of the article as well as the political views, Fotheringham has been misinformed about the role of the Protestant churches in the nuclear debate and their social concerns. There have been powerful statements made and actions taken by the United Church of Canada at all the levels on the nuclear issue. One need only check back issues of *The Observer*, its magazine, the last meeting of its general council, action taken in one of its conferences last May or review the content of any speech made by its moderator, Charles MacDonald, to realize the depth of commitment. The United Church has a long and proud tradition of social action and concern. It has risked even the alienation of some of its members to "speak out on the matters of real life." Please, Fotheringham, get your facts straight.

—DEBBIELE C. S. BRADSHAW, Parryville, N.S.

It seems that Allan Fotheringham has jumped on the now popular bandwagon of White-belted biasing. On one hand, he lauds Catholic bishops speaking out against government policies on nuclear armaments and on the other he criticizes television evangelists for daring to speak out for some government policies and against the moral decay of our civilization. Fotheringham groups all Christian evangelists in one large pot of murky, heavy Christians. In fact, I agree, as with any cause, that there is a group of synthetic exploiters. However, I do not believe that Jerry Falwell or Billy Graham, among others, are in that number. Fotheringham states that to Graham, "Christ is not as important as three men." My question is, how does he know? The answer, of course, is that he does not, but by his half-truths and bits of information he implies full and complete researched knowledge, which is clearly misleading.

—DON BRIDGMAN, Brampton, Ont.

A missed women

As an author, I was pleased to see Doug Fotheringham's positive review of my book *Women's Corporate Power* (Books, Sept. 5). I was somewhat dismayed, however, to see that Col. Jim Stone was tagged with an incorrect first name.

—JOHN MELADE, Brighton, Ont.

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Thompson's angry emotions and bitter attitudes of people who sold their homes

FOLLOW-UP

The legacy of Love Canal

By Linda McQuay

Five years ago New York state health authorities sent shock waves throughout North America when they evacuated pregnant women and young children from a quiet suburb of Niagara Falls. Adjacent to 828 homes was a sprawling 10-acre underground ditch, known as Love Canal, into which Hooker Chemical and Plastics Corp. had dumped 21,500 tons of toxic wastes during the late 1940s and early 1960s. Hooker had buried most of the chemicals in steel drums, but the containers had begun to corrode, and toxic sludge was seeping into the backyards and basements of residents. Mounting evidence of health risks—from birth defects to cancer—eventually compelled state and federal governments to relocate more than 700 families who had lived in the area. Now, the U.S. government wants to re-sell the area. But there is evidence that the dangers that drove the original residents to remain. The results of the government's own testing raise serious questions about the region's risks.

Currently, the eco-thriving neighborhood is almost deserted. Workers bulldozed the houses beside the canal last spring. In the surrounding area many of the houses are boarded up. Only 100 of the original 800 families remain, after declining a government offer to buy their properties at pre-sale prices, ranging from \$7,000 to

\$99,000. But federal authorities have long envisioned restoring the area completely. In 1980 they established the Love Canal Area Reclamation Agency (LCARA) to develop plans to sell the abandoned homes to new buyers. The agency's executive director, Richard Morris, talks enthusiastically about marketing the neighborhood by giving it "characteristics that might not be found in other areas." Morris wants to drain up the neighborhood with new streets, lawns and landscaping, and give the area a new name, such as "Stonington."

But opponents of the plan charge that these changes will not reduce the potential health risks of living near the Love Canal. One of the most outspoken critics of the agency's reclamation plan is one of its own members, John Lynch. He declared that several of the agency's members are local politicians who may be anxious to re-sell the Love Canal area in order to help the city fight its billion in lawsuits from former residents. Said Lynch: "That way they could say, 'Look, these people are living there, and there is no problem.'" In view of the fact that there are 17,000 chemical dumps in the United States, Lynch also believes that government misdeeds are reluctant to set a precedent of abandoning areas around the sites.

Lynch and others on the 100-member Ecological Task Force, a Niagara Falls church group fighting reclamation plans, fear that governments will eventually use the new residents as guinea

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El Salvador's death squads

Alarmed by claims that the Salvadoran government had ordered the murders of thousands of civilians, the U.S. Congress in 1982 passed a law that declared America would restrict its military aid to El Salvador only if semi-annual reports of the Central American country's human rights record were satisfactory. The law expires on Sept. 30, and Congress, which

in the past two years has allocated \$500 million in military and economic aid for El Salvador, is now debating the renewal of the legislation. The Reagan administration resolutely opposed to the linking of foreign aid and human rights. And even the congressional supporters of the law are becoming increasingly disenchanted with its effectiveness. The U.S. emphasis on human rights

has made the country a battleground industry in El Salvador. In 1979, El Salvador's Roman Catholic archbishop, Oscar Romero, whose a right-wing death squad assassinated in March, 1980, founded the Legal Aid Office after the number of political killings had jumped to hundreds from dozens a year. That office claims that the Salvadoran government has since 1980 killed more than 40,000 civilians when it felt were sympathetic to the left-wing guerrilla cause. A second group, the Human Rights Commission, is affiliated with the University of El Salvador Law School, and members of both organizations routinely photograph the bloodied corpses that appear along the roadside and "body dumps" throughout the country. They keep the pictures in backpacks to show to families awaiting for missing relatives. But even the human rights work has become targets for the death squads. Since 1980 death squads have killed seven members of the two groups.

In an effort to counteract the damning information that the human rights groups send abroad, both the Salvadoran government and the U.S. state department have been forced into the macabre business of cataloging the deaths. In August, 1983, the Salvadoran government founded the "official" Human Rights Commission, but some observers contend that the commission's death figures are self-servingly low. The U.S. Embassy in San Salvador began taking its own body counts in 1980. For its part, the Reagan administration admits that the figures are gray. But it insists that the Salvadoran government is making an effort to improve its human rights record. In July, when Denise Houston, the former U.S. ambassador to El Salvador, reported to Congress that from January to June there were 1,072 political killings—up 10 per cent from the previous six-month period—she also pointed out that the number could be "only a seventh or eighth of what it was when we first started counting."

But the Reagan administration's figures differ from those of the Salvadoran death squads. For that same period, the groups reported that death squads had killed between 8,291 and 3,882 civilians. Notes Larry Bros, director of the left-leaning Council on Hemispheric Affairs in Washington. "It is increasingly difficult to know just who to believe. There is the feeling on Capitol Hill that certifying human rights in El Salvador is nothing more than a semi-annual pain de dent."

Clearly, investigative effort above the human rights situation in El Salvador. What is clear is that hundreds of innocent civilians continue to die.

—SARAH McRAY in Toronto, with correspondents' reports.

The Tylenol mystery

It has now been one year since seven Chicago-area people died after swallowing capsule-laced Extra-Strength Tylenol capsules. Three deaths, which occurred over a three-day period, from Sept. 29 to Oct. 1, triggered the biggest consumer alert in North American history. Illinois Gov. James Thompson declared that "there is a madman out there" after police discovered that someone had opened capsules from two bottles of the popular headache remedy, swapped them with cyanide and repackaged them. Now, Tylenol's manufacturer, McNeil Consumer Products, a subsidiary of Johnson & Johnson, is demonstrating surprising confidence after losing more than \$100 million on its recall of the drug. The New Jersey-based pharmaceutical company has recaptured about 80 per cent of its former market share with its new

A year after the Tylenol murders, police are still puzzled, but the product is thriving

triple-walled packaging. But police, whose investigations has so far cost an estimated \$4 million, remain mystified about both the identity of the killer and his motive.

For several months after the deaths a team of 100 police officers investigated more than 2,000 leads, many of which came from a special Tylenol hotline. Police interrogated, then released, two dozen suspects. Officers did arrest James W. Lewis, a 36-year-old unemployed Chicago resident, in New York for allegedly trying to extort \$1 million from Johnson & Johnson. Lewis had claimed that he would kill more people if the company did not pay the money, but the police were unable to directly connect him with the poisonings themselves. Lewis is scheduled to go on trial in Chicago later this year, charged with extortion. Police also questioned Roger Arnold, 46, also an unemployed Chicago-area resident, after they received reports that he had discussed specific sayings with patrons of a local bar. The police released Arnold because they had

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insufficient evidence to implicate him in the poisonings. But eight weeks later they arrested him and charged him with the murder of another man.

Despite the extensive police investigations, authorities admit that they are no closer to solving the seven Tylenol murders than when they began. Chicago police superintendent, Richard J. Brannick, 40, who has long felt that the killer committed mass murder to cover up one killing alone, declared the case unsolvable when he retired in May. "The trail is not only cold," he said, "but there are no leads."

The police investigation has pursued such angles as industrial sabotage and stock market manipulations. Police have speculated that the killer could have a grudge against either Johnson & Johnson or the three stores in which he had placed the poisoned capsules. They also theorize that the killer could simply be insane. Investigators have discounted any connection between the Tylenol poisonings and a series of "copport" incidents—and-banned mouthwash in Florida, and eyeglasses in Colorado, strychnine-laced aspirin in California—which occurred soon after the Chicago crimes.

For its part, Johnson & Johnson has made a remarkable comeback, con-



Lewis, an alleged extortion attempt

foundling marketing experts who had predicted that the Chicago tragedy had caused irreparable damage to the drug's image. Before the killer struck, Tylenol was North America's most popular brand-name pain-killer, controlling a 35-per-cent share of the \$1-billion pain-

killer market. After the horror murders, that market share dropped to seven per cent. But since the company's move to tamper-resistant containers last November, Tylenol's market share has climbed back to its position as the leading pain-killer in North America, with 30 per cent of the market.

For their part, the victims' families have all filed lawsuits seeking damages of \$1 million to \$15 million against Johnson & Johnson and the stores that sold the first Tylenol capsules. All of the suits are now in preliminary legal stages, and law experts predict that the claimants have little chance of success. Family members, like the 10 officers who remain on the special Tylenol task force, face the first anniversary of the murders with a mixture of hope and fear: fear that the killer might try again, as many psychologists had fully predicted he would, and hope that if he does try they will catch him. Said John Tarnasiewicz, whose 29-year-old daughter, Teresa Janna, swallowed a lethal Tylenol capsule: "The killer is probably sitting somewhere watching TV and laughing about this." For the thousands of other Americans whose lives the killer has affected, there will never be anything about the case even to smile about. —DEAN J. KELLY in Chicago

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A matter of murder

Last Jan. 31, someone brutally beat Patricia Wilson, ex-wife of former Saskatchewan energy minister Colin Thatcher, and then shot her to death in the garage of the family's five-week-old south Regina house. It was not the first attempt on the life of the 46-year-old housewife. In May, 1981, an assassin fired a bullet through her spine down, wounding her in the shoulder. Police never charged anyone with the attempted murder, but in the fatal shooting they were encouraged when eyewitnesses provided a description of a bearded, long-haired man in his late 30s whom they had seen fleeing from the Wilsons' garage. Still, despite that apparently promising lead the killing remains unsolved.

Before her murder Wilson had been in the news regularly during her bitter two-year divorce and child-custody battle with Thatcher. A provincial court judge granted the divorce in 1980 and awarded her a \$750,000 settlement, one of the largest in Canadian history. Wilson was custody of the youngest of her three children, 10-year-old Stephanie, and later married Regina steel company executive Anthony Wilson.

In a house built in the murder case the day after John Dill's death, four men and a woman abetted Stephanie from the home of a playmate. The next day the police retrieved the child from a home in Moose Jaw and subsequently charged Thatcher and his lawyer, Tony Merchant, a former Liberal M.L.A., with abduction and witness in the incident. The charges still stand even though Thatcher gained custody of Stephanie in an out-of-court "consent arrangement" in May. Thatcher and Merchant claimed that the police charges were unconstitutional because they were laid under federal, instead of provincial, jurisdiction.

The murder investigation has, so far, proved fruitless, although police posted a \$50,000 reward for information leading to the arrest and conviction of the killer. But, said Sgt. David Dijkman, head of the Regina police criminal investigation division, "We are still optimistic that we can crack the case." For his part, Merchant disagrees. "In a murder investigation the trail goes cold quickly. The police had a witness, were on the scene almost immediately and yet have come up with nothing," he declared. Indeed, there does not appear to be an end in sight to the long-running toxic suits of the Thatcher and Wilson families. —DALE BARLEN is Regina.

COLUMN

Why economic recovery is elusive

By Dian Cohen

Finance Minister Marc Lalonde says that Canada's economic recovery is going along just reasonably. In his first major statement since the House of Commons resumed sitting last month, Lalonde noted that although there were some signs that economic growth was slowing this in itself was a good thing. He implied analogy like a champion runner pacing himself, the economy is getting down from its heady sprint of the past six months to a steady, indefinitely more sustainable pace.

Realities has never been the strong suit of the federal Liberal party as it is (re)entered under Pierre Elliott Trudeau. The current finance minister is adhering to that tradition. But that conservative forecasters in general are so much boasting about their predictions of the past few years. In re-examining a variety of economists' forecasts made since the beginning of this recession, it becomes crystal clear that economists can see no further than six months ahead; virtually every short-term forecast by nearly every private forecaster has proved accurate only because they made revisions every three months. But at least the private forecasters are not so negative into the future as a tell-tale in the federal department of finance does not seem to possess.

A study of past economic statistics reveals that the broadest indicator of economic well-being, the gross national product, has between January and June, grown by 3.4 per cent, our country's highest growth rate since the booming 1960s. Between November, 1982, and this past July, the rate of inflation dropped from 8.6 per cent to 5.5 per cent, employment has increased by three per cent. Canada's rate of unemployment now stands at 10.9 per cent—less productivity, the measure of the efficiency of our resource use, has, since July, 1982, increased by three per cent. By any of these measures, the economy has rebounded strongly from its malaise of 1981 and 1982.

Of course, the lowering of interest rates is primarily responsible for the recovery. That, coupled with the new expanded Home Ownership Stimulus Program and Ontario's temporary lifting of its seven-per-cent capital sales tax, from May 1st to Aug. 31, which encouraged a significant number of Canadians to increase their personal spending by more than two per cent

over the first six months of this year. But Canadian consumers are neither stupid nor are they financially suicidal. They cannot continue to finance the recovery. In the first place, their incomes are not keeping up with inflation. On Sept. 15, Statistics Canada reported that median incomes have not kept pace with inflation since mid-1982. The rate of inflation may be down, but wages from negotiated settlements have dropped even more. Employment may be up, but much of that improvement consists of part-time workers—a category that does not represent a significant increase in earnings.

The truth is that Canadians have been financing the recovery by dipping into their savings. According to an Aug. 30 Statistics Canada report, in the fall of 1982, seven households were saving more than \$15 out of every \$100 of their income. By July they were saving only \$10.

'Lalonde argues that our economy is well on the road to recovery, but economic indicators suggest it is not'

There are already visible signs that consumers are reducing their spending. Now that the Home Ownership Stimulus Program is over, housing starts have already fallen from the level they had attained in May. The retail trade flourished after the federal government announced in its April budget that it would permit Consumers to use Registered Home Ownership funds to buy furnishings and appliances from May to December. But that budget announcement simply moved up spending decisions that Canadians had already made. Such spending will not continue, indeed, businesses are finding that they now need fewer workers, and employment in the retail trade is dropping. For some inexplicable reason, the finance minister finds all of this reassuring. "The economy is finding a more sustainable level of growth," he says.

It is difficult to determine where that growth will come from. Government's latest forecast for 1983, which depicts Ottawa's loss with its multi-billion-dollar deficit, it seems unlikely that any spending will come from the federal government. Foreigners repre-

sent another important source of potential spending. But our current trade surplus—\$1.4 billion—comes not so much from foreign demand for our goods as from the fact that we have been importing as little.

Still, there is one area in which economic growth during the recession could originate—the corporate sector. After all, if any sector has done well in the past six months it is business. Corporate profits have increased by almost 60 per cent since the third quarter of 1982. But will the corporate sector pick up the spending incentives that consumers are lacking? It does not seem likely. Businesses are still liquidating their inventories at an annual rate of \$2 billion, an indication of the reaction with which our corporate leaders view the recovery. The latest statistics of their investment-spending intentions show that they are likely to spend seven per cent less than last year. Businesses justify their modest spending by pointing to their recent capacity and to increasingly high interest rates.

So much for the recovery that Lalonde describes as a sustainable rate of growth. That recovery is simply not going to occur. In fact, according to a report by the Public-Board Organization for Economic Co-operation and Development released on Sept. 23, the unemployment rate in Canada will remain in the range of 12 per cent into 1984, a much higher rate than forecasted by Lalonde in his April budget.

As a final indicator that serves as proof that we are not yet out of the recession, we need only look at the most mismanaged, but most accurate, forecasters of them all—the stock market. During the past two months it has headed in a lateral to downward direction. That in gross, the economy will be making that same direction in four to six months' time.

Although economic policy in Canada seems much to be desired, all is not lost for Canadians. Our economic recovery is on a parallel track to that of the United States. The Americans, however, will recognize the "rightness" of letting interest rates fall to keep their recovery from losing steam.

Let us all pray that the federal Liberals, after eight years of playing follow-the-leader with interest rate policies, will realize that the only money needs is something made in Canada.

Dian Cohen is a Montreal-based economics writer.



Manitoba's fight over French



Pawley (left), facing with Trudieu in Ottawa (right): a language crisis but no federal help is wanted

By Andrew Nikiforuk

For more than three months a Manitoba government resolution to extend French language services has consumed the public and divided the people of that province. Last week the bitter provincial dispute spilled into an emotional national debate as the federal government sought to orchestrate an all-party resolution in the Commons expressing support for bilingualism. As more than 15 Manitoba municipalities, including the city of Winnipeg, prepared to hold plebiscites on the issue, rising fears of racist outbreaks and even more acrimony, NDP Premier Howard Pawley met with Prime Minister Pierre Trudieu for 2½ hours on Sept. 22. His message was blunt. Said Trudieu after the meeting: "Premier Pawley is not asking for any help. He feels this is Manitoba's problem." But Pawley could not ease the rising concern in other parts of the country. As Neil McDonald, chairman of Manitoba 25, an alliance of ethnic groups favouring French rights, put it: "The debate affects Ontario, New Brunswick, Quebec, Saskatchewan and Alberta. It is hard to keep it for people out."

The proposal to entrench and expand French language services for 60,000

francophones (four per cent of the Manitoba population) in both commerce and education. While the NDP argued that minority rights can best be protected by entrenching them in the federal Constitution, a tenacious Opposition Tory leader Sterling Lyon maintained that the change would allow the courts to settle major best deals with the legislature. Such a fundamental political cleavage over bilingualism is neither surprising nor new in a province often scarred by cultural controversies. Language tensions in Manitoba date back to before an 1890 law declared English the only official language of the province. The latest flare-up had its origins in a 1979 federal Supreme Court decision which struck down the old law and three into question the legality of all English-only legislation passed in the past 50 years.

In 1981 legal cases appeared imminent when a francophone Winnipeg lawyer, Roger Bilodeau, challenged the constitutionality of a specific treaty written in English only. To prevent a ruling that might have undermined the very act by which the legislature operates, the Pawley government promptly struck a deal with the Franco-Manitoban Society, the federal government and Bilodeau. Essentially, the govern-

ment agreed to translate 60% of some 4,500 laws at a cost of \$3.5 million over 10 years with expanding some French language services in government agencies by 1987. That offer became the basis of the bilingualism resolution now before the legislature. The resolution would extend francophone services in specified ministries and agencies beyond the legislature and the courts where French is already official and would ask the federal government to recognize the new rights in the federal Constitution. In return Bilodeau postponed his spending ticket challenge and Ottawas agreed to pay \$2.35 million toward the cost of translations.

The NDP soon discovered that their solution could not easily resolve a century-old problem. Apart from the Tories' persistent filibustering in the legislature, the NDP faced defections from within—most notably from NDP member Russell Doorn, who took out newspaper advertisements denouncing entrenched bilingualism.

Last month, in an attempt to defuse a growing public revolt, the NDP began holding a series of meetings in town halls and school auditoriums across the province. Attorney General Roland Penner, the architect of the government's motion, travelled to hear first-

hand the fears and objections of the voters. But the hearings, due to finish this week, only highlighted the public's fears and concerns about the cost and necessity of the proposal. In the province's rural areas in particular, non-people spoke out against bilingualism with such force that the local francophone were stunned. In Munster, a small English-speaking village 82 km southwest of Winnipeg, some Alan Bouchard argued that in his town bilingualism would only produce jobs for francophones. "They say that bilingualism will unify the country, but that's nonsense," he said. "It's a case of people wanting to get jobs." At a meeting in Brandon, Sydney Lyle, the owner of nearby Portage-la-Prairie, said bluntly: "I'm not prepared to be taxed by either the federal or provincial governments to keep alive a minority culture." David Haras, a Manitoban farmer and president of the Union of Manitoba Municipalities, which represents half the province's population, compelled bilingualism with cooling two ears. "We can't afford two languages," he said. "And you can only read one at a time anyway."

The province's francophones, the remnants of a once vibrant community and now one of the most quickly assimilating groups in the country, is confused and beleaguered by the current fight. Although many originally approved of the government's resolution, some now see it as a divisive measure that is tearing the English-speaking majority against them. Scattered in 36 communities across the province, few francophones have the opportunity to conduct most of their daily affairs in French. St-Amand, a town of 1,300 and the second-oldest French settlement in the province, is one place where French has survived. French is spoken at the village chamber and used as the street sign. Service station operator and deputy mayor Dennis Groggier, himself a descendant of a coppersmith, has sympathized with anglophone concerns but added, "The resolution sounds very good to me. I really is to an anglophone." Louis Bernadine, the director of the village's home for the elderly, keeps Quebec's fleur-de-lis flag as his office. He said that the current controversy would not stand if the government provided a service in the past. "We don't need that kind of unity," he said. "In Europe you speak four or five languages and you are respected. Here, if you speak two languages you are an alien." For his part,

Camille Chaput, a former alderman, said that the resolution has caused too much ill feeling. "You can take a box full of pills, and you die," he said. "It's the same with French. We have as much French as we can use and need just live with it, for God's sake." The issue, a thorny one for politicians at both the federal and provincial level, is unlikely to go away. Tory Leader Brian Mulroney found himself in a particularly delicate situation when Trudieu called for a federal show of support for the province's francophones. Mulroney, a longtime proponent of



Meanwhile, we don't need this crisis, it's unfair

French language rights was caught between his own beliefs and the possibility of alienating some members of his own caucus and the Manitoba Tories. Still, Mulroney met with Trudieu twice last week to discuss the Prime Minister's proposed resolution. After the second meeting last Friday, Mulroney was angered when a Trudieu aide disclosed a few details of what was to have been a private encounter. The aide, Ralph Coleman, said that Mulroney had not yet read a draft of the resolution because the Prime Minister was waiting for NDP Leader Ed Broadbent to return to Ottawa to see him.

The lack infuriated Mulroney, who said that further meetings on the subject might be jeopardized. But Coleman quickly apologized for his remarks

and Mulroney called Trudieu a "gentleman."

As the public hearings drew to a close this week, the focus is shifting to the upcoming municipal plebiscites. Timed to be held on the same day as municipal elections, the plebiscites are certain to add to the controversy. Penner, who wants to get the amendment through in the current session of the legislature, where the NDP holds 34 seats in the 58-seat House, said the municipalities should not get involved in a pre-municipal matter. New Brunswick Premier Richard Hatfield, whose province passed the Official Language Act in April, 1969, making French one of the two official languages, added that "You cannot have a referendum on equality."

Nevertheless, on Oct. 26, 500,000 Manitobans will face a complicated question. The referendum question reads: "Should the province withdraw its proposed constitutional amendment and allow the Bilingualism issue to proceed and be heard and decided by the Supreme Court of Canada on the validity of English-only laws passed by the legislature of Manitoba since 1980?" Ross Ego, Marchand, the city councillor who introduced the original motion, found the final wording, a cumbersome attempt to avoid inflaming the language issue, hard to understand. "If you want to say yes, you have to say no. My constituents said it unthinkably confuses," he said.

In the face of growing public anger, Penner has already changed the resolution to allow for a number change in public services. The amendment resolution guarantees the use of French as an official language in the legislature and courts alone, rather than covering such areas as municipal services and the school boards. Penner-Marchand's compromise called the change a retreat. But their greatest fear is that the NDP will drop the resolution altogether.

With the plebiscites imminent, the pressure to resolve the language dispute is likely to grow. The Bilingualism spending ticket case may be heard in the Supreme Court anytime after Dec. 31. If that name goes ahead, the legal clash that the NDP government hoped to avoid may become a reality. But even the courts may not be able to resolve the deeply felt antagonisms. The NDP says the legislative strength is weak. "It's a push-through. If they do so, they can only hope that Sterling Lyon is wrong when he predicts that language will bring down the NDP in the next election." ☐

The Tories pass the hat

In a downtown Toronto restaurant next month, Playboy Playmate and sometime television actress Shannon Tweed will auction off the mink that John Crosbie wore when he presented his first and only federal budget in December, 1979. Crosbie's political advisers voiced the suggestion that Crosbie should then auction off Tweed's dress, fashioned from the fur of his native Newfoundland, to the highest bidder. Still, the politeness promises to be a glittering affair with dozens of Helen Reddy and André Gagnon entertaining the 2,000 guests. When the evening is over the Conservative financial committee will have raised about \$200,000 to pay off the massive debts remaining from his lavish but unsuccessful bid for the party's leadership earlier this year.

Crosbie, who spent about \$1 million on his campaign, still owes about \$200,000 after a sold-out St. John's dinner last week added about \$80,000. That dinner kicked off a season of political fund raising by successful contenders in the Tory threat which will take place across the country this fall.

Raising the money will not be easy. The candidate must raise money from \$150,000 to almost \$200,000, and the competition for the cash is acute. Supporters have already contributed to the various leadership campaigns, and only one of the major candidates—Prime Ministerial and Brian Mulroney—are free of money worries. For the rest of the field Revenue Canada has made their fund-raising more difficult by ruling that any donation to a federal party or to a candidate running in a federal election is tax deductible.

Peckham and Toronto MP John Gaultie say that they have settled their bills, but Gaultie will not discuss how much he spent. Peckham's campaign organizer, a former Liberal MP, says he spent a record amount of \$250,000 on a previous campaign and \$700,000 on the actual campaign. "The majority of the money came out of my pocket," added Luss. "In the matter of difficult financial times, he paid his bills promptly."

Peckham's two most ardent Tory fans, who he appointed to his campaign, ended up with whopping debts because of uncontrolled spending at the convention in

Ottawa, and because his advisers had wildly underestimated costs of what is considered the most expensive convention in Canadian history. Crosbie, whose campaign was first-class all the way, said that he would personally pay his debts if enough money could not be raised.

The only man who is out of the financial woods is winner Brian Mulroney. His chief fund raiser, Senator Guy



Crosbie (centre) in St. John's, hoping for a profit

Charbonneau, insists that Mulroney's campaign will cost only "a bit" more than the \$600,000 that was the original estimate. Party insiders predict, however, that the final tab could be closer to \$1 million—and they estimate that when the campaign ended in June, Mulroney probably owed about \$600,000. The debt Charbonneau will have as trouble raising even more, Tory insiders say, because donors like winners. "His debts will be taken care of quietly and discreetly," predicted a top Conservative. To that, Charbonneau adds that all servants will be settled within 60 days.

Mulroney's key competitors have more difficult problems to overcome. Toronto MP Michael Wilson, who owes more than \$100,000, planned a \$200-
-

plus dinner at Toronto's Hilton Harbour Court hotel this week. Fellow contender David Crombie was to introduce Mulroney as the guest speaker, and any money raised beyond Wilson's debts was to be split among other debt-ridden candidates.

Crosbie spent about \$200,000 on his plebeian campaign—and he is still short about \$10,000. Of all the media candidates, he was considered the left wing of the group," says his treasurer, William Sanderson. "And he is the only one who came close to balancing his budget." Joe Clark, who spent about \$1 million on his campaign, is still short about \$750,000, and both he and Crosbie are going to approach past contributors to ask for additional donations. Crosbie is hoping that a private dinner with Calgary executives, together with the Toronto gala and the St. John's dinner, will pay off his big deficit.

Meanwhile, the leader will be working to replenish the party's coffers. Mulroney is scheduled to speak at eight PC Canada Fund dinners across Canada between October and December. Under the law regulations, donors must give about \$1,000 in a year to get the maximum tax credit of \$200—a rule that has put an upper limit on the contributions of many political donors. The combination of Mulroney's dinners and the other individual efforts have complicated the fund-raising chores. Wilson organizers, for example, had sold only half the tickets just days before this week's dinner. "There are as few as 10 at dinners here this year," says finance chairman John McMillan.

The Tories have other financial headaches. During the campaign many donors sent their cheques to the PC Canada Fund earmarked for a specific candidate. The fund kept \$5 per cent and turned in the rest. For the first time, however, the PC Canada Fund has informed the donors that only the 25 per cent portion retained by the PC Canada Fund is eligible for a tax credit. Taxes and the taxes are clearly on a no-win course, which will not be resolved until tax returns are challenged in April.

Despite the wheeling and dealing with Revenue Canada, party executives are pleased with the way they conducted the leadership campaign. The party executive did not put a limit on the money for the candidates, and it did not require candidates to disclose how much they spent, sparing executives an embarrassing recall of the 1976 leadership race when Mulroney simply refused to say how much he had spent in a losing cause. To add to their pain, the party made several hundred thousand dollars profit on the June convention—a figure that is a bitter irony for the financially pressed Tories.

—MARK JAMISON in Ottawa



MacEachern in the House: what they were buying remains secret

A tale of two Soviet spies

Since the end of the Second World War, Canada has expelled more than 60 foreigners for espionage, nearly all of them Soviet bloc diplomats, journalists or trade officials. Last week, External Affairs Minister Allan Rock said that the Soviet Security Service apparently discovered their attempts to purchase high-technology secrets. Expelled was Anatoly Solovov, an employee in the Montreal secretariat of the International Civil Aviation Organization, who was out of the country when External Affairs informed the Soviets of the espionage on Sept. 18. Victor Trefimovskiy, a trade attaché in the Soviet Consulate in Montreal, has since departed.

Exactly what the two were trying to buy, and how they were caught, remain secrets. Indeed, MacEachern said that he wanted to keep the espionage secret so that public attention would not be distracted from the Soviet attack on Korean Air Lines Flight 007, an which 268 people, including 10 Canadians, died. The assistant told the Commons last week that it was impossible not to have the "all-important" case of the airline sequestered by the spy case, "which is a part of an ongoing relationship with the Soviet Union." He was forced to assure the expellees' former officials, he said, the news last week.

The Canadian government is used to keeping such secrets. Of the 30 persons formally declared persona non gratae since the war, 30 remain unnamed to

this day. Of 10 without other names being finally told to leave, 11 have never been officially identified. Still, recent practice has usually resulted in a failure of press releases. In March, 1982, then external affairs minister Mark MacEachern even called a news conference to announce the expulsion of Soviet trade representative Mikhail Abramov for illegally trying to buy three optical cables. The Soviet Embassy responded in kind, with an unusually detailed news release describing Abramov's activities as "strictly regular." The time, it related, came on the expulsion of Abramov.

Any indication the RCMP Security Service felt about the latest case was worsened by the embarrassing disclosure of a long-held secret of its own—the use of its budget. The budget and the use of staff have always been withheld from Parliament's scrutiny. That the information might help opposing spy organizations. New Democratic Party MP David Baskin, however, found the figure in a magazine "job opportunities" he felt circled within the RCMP last April. The magazine's single financial reviewer whose duties included "discovering and controlling the expenditures of the Security Service budget of \$97,700,000 annually." A discredited legislator, Senator General Robert Kaplan told the Commons "It is a mistake and a violation of government policy" for anyone to publish the Security Service budget and he refused to confirm or deny the figure. To surprise, however, it leaked like many other espionage secrets. However, —JOHN HILL in Ottawa.

The new boy takes his lumps

I was a time of tension, failure and victory in the brief parliamentary life of anophyte Conservative Leader Brian Mulroney. Indeed, last week the Opposition chief almost became Parliament's laughingstock. First he used demonstrably faulty information in an attempt to embarrass the Liberal government. Then he used a set of clearly outdated facts to try to out-maneuver Transport Minister Lloyd Axworthy. Declared New Brunswick Tory MP Fred McCar "It is like Joe Clark and his last luggage all over again," in a reference to the former leader's ill-fated world tour at the beginning of his second tenure in the job. But late in the week Mulroney salvaged at least some of his dignity with a thundering performance, attacking Liberal policies toward unemployment, environment and health care.

Best Tory back-benchers quickly claimed that Mulroney had proven his parliamentary skills. But others who are close to the leader acknowledged the "upset" over the Commons as uncomfortable as usual. Declared Commons opposition leader MP Tom McMillan, whose twin brother is one of Mulroney's top aides, "It is like a theatre where it's opening night every time he is on his feet."

Last week's mistakes were clearly a reflection of slipping on the part of some of Mulroney's advisers. On Monday, for instance, he accused the government of jeopardizing the country's economic health through "flagrant spending." His source, an international Monetary Fund report released the previous week. But the report said that the Canadian economy was poised for a healthy expansion. It makes no specific reference either to the Canadian deficit or to federal government spending. In fact, it says that Canada's economy is "moving more rapidly during the current year" than the other six (the United States, Germany, Japan, the United Kingdom, France and Italy) industrialized countries. In return, Finance Minister Marc Lalonde delivered a stern rebuke. "It is clear that the leader of the Opposition misled the House," and Lalonde suggested that he had not read the report at all. For his part, Mulroney had little choice but to accept the strongly worded criticism in silence. Later, embarrassed party aides told Mulroney's success to explain that Mulroney had been in his condominium by "reading between the lines."

In a usual incident, determined to play the role of troubleshooter for his

News Canada continues, Mulroney decided to know when the government would formally announce a continuation of the freight-rate subsidies which are essential to the Maritime economy. At that, Anwarthy smoothly replied that he had already visited Montreal and had made the announcement that very morning. "The question is soon here too late," he told Mulroney with a huge grin. The Opposition leader slipped back into his seat, looking shaken as Anwarthy's Liberal colleagues cheered. "Bring back Joe, bring back Joe." It was clearly a case of post staff preparation. Two hours before entering the House, Mulroney had instructed his chief of staff, Fred Donnet, to check the status of the freight rates. Donnet, a Haligonian, had called Nova Scotia Premier John Buchanan's office and learned that Anwarthy had made an announcement in Montreal. But nobody had told Buchanan any of the details. With that astonishingly successful briefing, Mulroney went into the Commons looking glum. Instead he drew a rooster.

The Tory leader, however, made an impressive comeback the following day, accusing the government seriously of abandoning the nation's two million unemployed. He was aggressive, he charged the critics, coming from the Liberal back benches and he wanted his finger at the government's side of the House with self-righteous intensity. As he sat down, looking pleased with himself, Mulroney was a thumbs-up sign from former Conservative health minister, Doug Young, one of the loudest officials in performance in the Commons. Afterward, Mulroney and a few trusted friends watched a videotape of his performance in the House, discussing his mistakes and plotting a more effective strategy. At the screening, Mulroney said that he did not enjoy speaking "with venom—but that's what the House seems to want."

In spite of those gaffes Mulroney can take comfort from the consensus among all parties that he has not yet run out of steam. Mulroney's popularity remains on both sides of the House and is feeding severely sympathetic to the struggling newcomer. Said Ottawa-Vancouver Liberal MP Jean-Robert Gauthier: "He's only had two weeks, and all of us need an equivalent time of at least six weeks." Mulroney's mistakes, the critics raised the spirits of the Liberal cause for the first time in months. But veterans on the government side attacked their younger colleagues not to attack the new Tory leader so strongly. Said Gauthier: "He's not run out so much, he's not like me and my people like older leaders. The last thing we want is to turn him into a national hero." —CAROL DOUGLAS in Ottawa.



Ange Simon Top, for the accused, a trial in open court and not in the press

In defence of the five

The New Westminster courthouse bristled with security precautions last week—including electronic metal detectors—as three men and two women prepared to stand trial on widely publicized charges in connection with the dynamiting of a Vancouver Island hydro substation, a series of fire-bomb attacks on a chain of Vancouver-area video stores and an alleged conspiracy to rob a bank's guard. But defence lawyers put the press on trial, arguing that earlier coverage of the case would make it impossible to find unbiased jurors. The defence then sought a stay in proceedings. Supreme Court Justice Sweeney rejected the motion but he eventually ordered 36 prospective jurors on grounds that they were unacceptably biased.

The five defence lawyers, all working for legal aid fees, have hammered away at the treatment of the defendants by both the police and the legal system. They have been particularly critical of the press coverage, and the judge banned re-publication of earlier reports that contained what he termed spiteful "base words" associated with the five.

The defence also called in expert witnesses to support the argument that publicity surrounding the case had biased prospective jurors. One of them, a former University of British Columbia sociologist now working in New York, Joe Schizman, said his telephone poll of about 600 people in the New Westminster Supreme Court district showed that 50 per cent of those interviewed thought the defendants were guilty.

Another defence witness, University of Western Ontario sociologist Neil Vidmar, declared that the sometimes hysterical media coverage was "the most extensive prejudicial publicity I have ever seen." In response, Top later suggested that the trial might proceed by judge alone, but the defence rejected this idea.

Eight months have passed since the court arrested the five accused at the Squamish highway north of Vancouver. But the three young men and two women have been at the centre of the controversy that began with the announcement of the arrest of an allegedly dishevelled, tense group of individuals that prompted the B.C. Civil Liberties Association to ask for a federal investigation of police procedure for holding press conferences. As well, members of some B.C. unions and other supporters of the accused have charged that the authorities abused their power by denying the accused bail and then bringing them to trial by direct indictment—thus bypassing a preliminary hearing in the case.

Even when the first trial ended, Julien Simons, 31, Gerald Hines, 36, Alan Brit Haines, 38, Douglas Stewart, 26, and Brent Taylor, 27, face additional charges.

With arguments about admissible evidence to come even before what promises to be a lengthy trial, the five young defendants face months waiting behind the glass shields separating them from the spectators in Courtroom 2-9.

—JOHN FAUSTMAN in Vancouver.

Boat People in a new land

The stevedo blasts from a revolver shattered the night time silence at a community centre near Toronto's Chinatown. When the police arrived minutes later, one man, a Vietnamese refugee, had died and two of his friends were seriously wounded, lying in pools of blood. Two days later, police arrested three young Vietnamese men near South St. Marie, Ont., after stopping their car and charged them with first-degree murder. The shooting was the latest outbreak in an increasingly violent conflict among Canada's Vietnamese boat people. And to police forces across the country that have been keeping an eye on the Vietnamese refugees, the murder was the inevitable result of hailing tensions in these communities.

Although there are 50,000 Vietnamese refugees in Canada, only a small minority are involved in gangs and criminal activities. Those who are attracted to the gangs are usually unskilled, single young men who do not speak English and have had problems trying to make the cultural adjustment to North American society. That sense of alienation leads to what police say is an increasing number of crimes. Last May in San Francisco two Vietnamese gunmen killed another Vietnamese for refusing to give in to blackmail threats in another case, in the tiny fishing village of Seadrift, Tex., two Vietnamese fishermen murdered an American fisherman after he accused them of undercutting his prices. And in Vancouver, police believe that gangs of unemployed Vietnamese youths are making new contacts with their Vietnamese counterparts, the San Francisco-based Program and Paratrooper gangs, who are involved in extortion and kidnapping. Vancouver officials also fear that gang warfare may break out between Vietnamese and Chinese. Said Insp. Noel Larkin of the Vancouver police force: "We have been warned that there is a potential for the Vietnamese to get into clashes with the Chinese Lotus and Red Reggae gangs here."

The police say that the gangs are often made up of former South Vietnamese soldiers. Others are suspected criminals from North and South Vietnam who were shipped out to sea when the Hong Kong regime emptied its jails to get rid of undesirable. But increasingly the gangs add to their numbers by attracting "Bajac Cowboys"—the single, government-sponsored men between the ages of 20 and 30 who are sent to a processing quarter of the Boat People near a camp in Toronto. Two gangs—each with more than 20 members—are involved in numerous illegal activities, including prostitution, jackpocketing, purse

sneatching, armed robbery and extortion. Often those operatives bring the Vietnamese into direct contact with the Chinese because of a centuries-old rivalry between the two cultures which has been transplanted from Southern Asia into Canada. "The situation is scary," said Sgt. Barry Hill, head of the Toronto police force's Chinese Squad. "For the first time, the Vietnamese are getting involved in the Chinese-Kang Lok gang, which has controlled Chinatown for 10 years."



Some Boat People under arrest; increased tension

The Kang Lok is a street Chinese criminal society which was first formed in Hong Kong. It has as many as 400 members in Toronto, most of whom are prominent in the martial art of Kang Lok. Like the Vietnamese gangs, Kang Lok is involved in extortion, assault and robbery. In the past year the secret assault has expanded by firing hundreds of shotgun shells from Hong Kong to pen them by threatening violent reprisals if they refuse. But recently, Kang Lok has lost some of its muscle as a result of one of the first successful police crackdowns in the tightly knit community. In the past month, for example,

eight gambling houses that pay protection money to the Kang Lok have been shut down in Toronto.

Leaders of the Vietnamese community have tried to downplay the significance of the Sept. 27 Toronto shootings, in part, to dispel prejudice against the boat people. But others inside are waging a campaign to alert refugees to the dangers of joining organized criminal gangs. "When the refugees come to Canada, we told them to forget about their bitter experiences and to be law-abiding citizens," said John Cha, co-ordinator of Toronto's Vietnamese Association. Added Cha, a diplomat for the South Vietnamese government before coming to Canada in 1975: "Anyone who is separated from their family in a new land can misuse their freedom."

To combat the alienation the community has also appealed to all levels of government to provide better recreational assistance and hire Vietnamese-speaking social workers to deal with their inner-city citizens. But governments have been slow to respond, and there are still as many as 100 Vietnamese-speaking police officers on any force in Canada. "Many of these men are lonely and depressed and can't find work. So they waste their time hanging around pool halls and drinking beer rather than getting involved in productive things like sports," says Cha.

Dr. Sam Day Nguyen, a psychiatrist at the Royal Ontario Hospital who was chief of psychiatry for the South Vietnamese army before emigrating to Canada in 1974, said that adjustment problems were inevitable. "The refugees left their homeland in small leaky boats with little preparation for life here. Now it is not uncommon to find farmers living in big cities or professionals working as janitors or in menial jobs in restaurants," he said. He added that the majority of refugees have found work and a home and adapted to North American ways. But there is a growing "high risk" group that suffers from severe depression, anxiety and psychosis because of the stresses of war, class and a perilous escape, having to seek shelter in overcrowded refugee camps and being transplanted into an alien culture, said Nguyen.

Nguyen also believes that the federal government in Ottawa should set up a special mental health project for resettled Asian refugees to defuse the dangers. "The refugee problems are indeed mainly psychological and emotional. And for police throughout North America who have to deal with the repercussions, I deeply suspect many will be unable to handle them, trying to eradicate the crimes that they sometimes cause." —CAROL BRIDMAN in Toronto.

Under the guns in Lebanon

By Linda Diebel

Finally, the remaining veils of restraint were lifted. Last week in Lebanon, French and U.S. troops serving with the multinational peacekeeping force unleashed the fury of their huge military arsenals and struck back at warring factions which threatened both their lives and the warring governments of President Amr Gemayel. First, the nuclear-powered U.S. cruiser *Virginia* and the destroyer *John Rodgers*, lying a mile offshore, snatched their five-inch guns and poured more than 300 rounds into the hills surrounding embattled Beirut. Then, French Super *Condor* fighter-bombers, launched from the aircraft carrier *Paul Fier*, screamed over the earthquake dropping their deadly payload of 500-lb bombs on emplacement that threatened their ground forces. It was clearly the most aggressive and dangerous escalation to date in a war that threatens to destroy a nation, has already killed hundreds of thousands of civilians and

is moving the superpowers ever closer to a direct confrontation. Declared U.S. Secretary of State George Shultz: "What we are doing in Lebanon is right." It would be a mistake, added the secretary, to "turn tail and run."

The U.S. action flowed directly from a warning by Lebanese Army Gen. Ibrahim Tannous. Tannous told U.S. military advisers in Beirut on Sept. 19 that his Rightist Brigade could not defend the strategic Chouf Mountain village of Souk el-Gharb, 14 km southeast of the capital, against a force offensive by Syrian-backed Druse militia and Palestinian guerrillas. If Souk el-Gharb fell, the Muslim forces would be able to command an uninterrupted line of fire into the core of Beirut as their war against Gemayel's Christian-dominated government. In an unprecedented move, Supreme Allied Commander Gen. Bernard Rogers ordered U.S. naval bombardment of the rapidly advancing Muslim units, driving them into retreat. Said U.S. Vice-Admiral Edward Martin, commander of the Sixth Fleet: "The naval support mission is defen-

sive action." But within 24 hours, Druse phosphorous shells and high-explosive rockets pumpeled Beirut's southeastern suburbs, including the home of U.S. Ambassador Robert E. Delaney.

On Sept. 22, after four days of sporadic U.S. shelling of antigovernment positions in the Chouf, the Druse turned their heavy artillery on French and Italian peacekeeping forces' positions in Beirut, wounding 30 French soldiers. At dusk, the French Super *Condors* blasted hostile artillery posts behind Syrian lines in the hills along the Beirut-Damascus highway. In Paris, French Defense Minister Charles Hernu reported that the French, like the Americans, had exercised their "right to legitimate self-defense."

Still, Gemayel's increasing dependence on massive U.S. and French firepower to maintain his army lines—and his government—heightened fears that the conflict between Christians and Muslims might escalate into a full-scale Middle East war. Since Israel's withdrawal from its Chouf Mountain positions on Sept. 4, any hope that the war-

reny Lebanese Army alone could repel Druse, Palestinian and Shi'ite forces closing in on Beirut has evaporated. At the same time, Saudi and U.S. mediators failed last week in their attempt to arrange a ceasefire. Washington revealed that the Soviet Union has rejected the administration's appeal to use its influence to entice Syrian involvement in the Lebanese fighting. For its part, Damascus warned that Syria will attack anyone "by land, sea and air" if its forces in Lebanon are bombarded. As a result, the U.S. Senate voted Friday to cut off the last remnants of aid to Syria.

As the situation deteriorated, Kevorkian reported that the Soviets plan to send 22,000 troops to aid Damascus if Israeli moves back into the Chouf and threatens Syria. As well, the House of Representatives foreign relations committee approved a vigorously debated companion resolution providing for the deployment of U.S. troops in Lebanon for another 18 months despite many congressional fears that the involvement may lead to another Vietnam-style catastrophe. Argued one dissenting Democrat, Wisconsin's David Ober: "This God damn president wants us to get into a war and the American people do not want that. The question is: 'How do we get the Marines out of Lebanon?'" But the majority accepted the administration's contention that Beirut-battered Syria is frustrating efforts

to end the Modified, making a continued U.S. peacekeeping presence essential. Declared President Ronald Reagan: "There is no question [what] Syria is influenced by the Soviet Union."

Meanwhile, the multinational force itself is suffering casualties at a level that evokes serious domestic concern in the sponsoring countries. Recently, shelling has killed four U.S. marines and wounded 30 (a cluster bomb killed a fifth marine last September). At the same time, 16 French soldiers have been killed and 30 wounded, and 35 Britons have suffered injuries. There are no accurate counts of civilian casualties. But the Lebanese and the International Red Cross said that 215 people died as a result of the fighting in a single week after the Israeli withdrawal—an estimated 25 to 30 per cent of the total. U.S. Marine Commandant Paul Kelley exposed the Americans' apprehensions about U.S. involvement in Lebanon in testimony last week before Congress. Kelley, who served four years in Vietnam, told that the Lebanese peacekeeping mandate has not changed since the Marines "went into Vietnam—I mean Lebanon."

Still, Shultz contended that a withdrawal of the U.S. marine contingent would simply allow Syria to move in and take effective control of Lebanon. Indeed, Shultz warned the French decision to back the Druse positions behind Syrian lines. Earlier in the week French

Gemayel Beirut under bombardment: a deadly conflict that no one is winning

Lebanese Army tank at Souk el-Gharb, deeply shelling civilians. The troops' morale remains surprisingly high





Government soldiers in the Chouf: an unending, unpredictable experience

COVER

Foreign Minister Claude Cheysson criticized the United States for ceding fire from naval vessels, claiming that the action was not "the best method to achieve a settlement." The French shifted their position after casualties mounted.

The U.S. administration clearly realizes that Washington's ability to prop up Gemayel's Christian minority government against the Moslem majority is severely restricted. As state department spokesman John Hughes pointed out, "We are tired of at the limit of what we will do militarily unless there is a dramatic change. If Gemayel and the

army cannot pull off their own survival with a little help from their friends, we cannot do it for them."

Those limits seemed to be starkly clear. As a ceasefire effort crumbled, the Marines once more scrambled into their madhugged bunkers at Beirut International Airport dodging five-inch shells whizzing around the perimeter at the rate of one every five seconds. The Marines and offshore naval units returned the fire in a gutting exchange. As well, drone missiles fired as a U.S. marine helicopter on Saturday and the gunship returned the blasts. At the same time, the tin can New Jersey—the world's only active battleship, with its 16-inch guns capable of

berling 3,700-lb shells 32 km—steamed into Lebanese waters. It joined 38 other U.S., French, Italian and British warships already patrolling the Beirut coastline—the largest Western armada assembled in the Eastern Mediterranean since the 1973 Arab-Israeli war. More than 20,000 troops are aboard the vessels, prepared to support the 5,000-man multinational force in a crucial Lebanese mission. The Galestan, a Marine buoy tender, was reassigned by the presence of the battleship "Larkin," he said, "that sailor first shall the size of Volturnus."

For the U.S. Marines, who are well-trained for conventional warfare, the Chouf Mountain war is an unending, unpredictable experience. "I don't want dying in Lebanon," said one disillusioned soldier. "But I don't want to die because I was a acting dick." As a result, the naval support fire and the New Jersey's arrival have provided a much-needed morale boost. At the airport's "landing city," Golebski estimated that one shell from the New Jersey could destroy the road that passes by a Druse militia camp near the small village of Choufnet, east of Beirut. Now say the surrounding towns and tell half the people in the target area. "As we say in the Marines," he declared, "all we have to do is look up their number and dial it." But aboard the cruiser Virginia, where the huge anti-air "16" (for confusion in gunfire firing in the Choufnet) marks the port side of the forward five-inch gun, the gun crew was less confident. The targeting it computerized and, explained Capt Joseph King "We're told how many rounds to fire and we are given the co-ordinates. I think we are within 30 yards of anything we're shooting at."

There was no doubt at the Druse militia command post at Aley overlooking Beirut that U.S. naval gun—later guided by several Marines on the ground at Souk el-Gharb—were the instruments that had rebuffed the Druse attack on the strategic village. Said the Druse commander in the area: "During [our] attack the Lebanese Army was fleeing. But when the U.S. Navy gun arrived with its bombs and phosphorus, they showed the attack." He charged that the naval bombardment killed three civilians, including a three-year-old child, and wounded 14 others, and he angrily told U.S. reporters, "Ask your government to take your kids out of here. This is a battle against Lebanon."

That claim is only partly accurate. Although Moslems and Christians had feuded for more than a century, PLO and Syrian interferences exacerbated the conflict during the 1970s. Then, the Israeli invasion in 1982 drove out the PLO and set up a pro-Lebanese, Christian-dominated state. They allowed the

Christian Phalangist militia—headed by Sheik Pierre Gemayel, father to both Amin and Bashir, who was assassinated in Sept. 1982, when he was president—to set up bases in the Chouf Mountains. Druse militia leader Walid Jumblatt, head of the Progressive Socialist Party founded by his father, Kamal, has accused Amin Gemayel of being a "bustler" and a "wray guy." He said that Gemayel belongs to the "school of thought of the Sabra and Shatila"—a brutal reference to the Sept. 1982, PLO-organized massacre of 800 Palestinians in two Beirut refugee



Evacuating the wounded. Druse leader Jumblatt the human price of battle runs explosively high

camp Jumblatt's party, backed by the Sabra and Shatila, is fighting for a renegade of the Lebanese constitution to redistribute power among the Maron majority, which represents 60 per cent of Lebanon's 3.5 million people. And, unless some compromise granting a measure of control, at least, to the Moslems can be achieved, the bloodletting seems certain to continue.

David Jumblatt's last week "Refuse they kill us or we refuse them."

Despite the massive foreign firepower now assembled against them, the Druse are still determined to carry on the fight. Their staunch nature has enabled the widely dispersed army to rally in support of the embattled forces in the Chouf for the past two weeks. They have arrived, via Damascus, from such dispa-

rate as Syria, Amman and Jerusalem. Old men in heavy white iron vests, shorted baggy pants in their teens, buses, truck drivers and bankers—some with military training, most without—have passed through Marjeh, the Jewish ancestral home and the rallying point for the Druse militia. They collect supplies, receive their military assignments and, most important, renew their identity in the secretive and proud Islamic sect. "We are not warriors," Jihad, a bespectacled young Druse, told Marjeh's last week. "We are fighting



Evacuating the wounded. Druse leader Jumblatt the human price of battle runs explosively high

for what is sure by right. We want the same thing the Maronite Christians got in 1943—a democratic system that respects us and the Sabra and Shatila, because they hold the majority back that we gave it to them. Now it is our turn."

The human price of the battle is high. At Aley a team of three doctors, one nurse and one nursing assistant operates a former private hospital which treats casualties from behind government lines. Since the Israeli pullout the hospital has treated 350 people, more than half of them civilians. Moslems have died. Hospital statistics estimate that about five per cent of Aley's 100,000 civilians remain, mostly huddling in basements before the assaults.

At Marjeh, the Druse militia's headquarters, the madhugged hospital has taken up

mercenaries direct artillery hits and its front courtyard, where a wrecked ambulance was loaded with bullet holes, is in the direct line of sniper fire from across the frontlines to the north. Nerse Marita Gatake, a 28-year-old American, last week calmly registered a wounded Druse soldier with pinkish lips as he collapsed out of a van. Another soldier, a ruddy and angry, and clamped an eyepatch over his bloodied face. The regular crash of shells punctuated her work. Then, an elderly Christian couple arrived at the hospital after a shell hit their house, shattering them with noisy and shrapnel.

Aran Shatogyan was unconscious and deathly pale, but his wife, Maria, spoke apologetically as a hospital staffer pulled the fragments of shrapnel from a wound in her head. "I was home in these mountains," she said simply. "I want to die in my house."

Gatake, in blue jeans and a green tartan shirt, smiled when a U.S. reporter asked what went through her mind when she realized that her own army was shelling her. "Right now I'm going through some rage and then some pain," she explained. "It makes me question if the American people are really informed about what is going on over here."

For the embattled Lebanese Army the Chouf conflict is bone-wracking. Lebanese Commander John Salameh reported that hundreds of rockets and artillery shells pounded his positions last week, killing seven people, an lieutenant. "There were many wounded," said the disheveled soldier. "I am tired. My men are tired." Added a lieutenant-colonel who makes his headquarters in one of Souk el-Gharb's former resort hotels, "I don't think we can hold on much longer. We must have the Americans. Still, morale is surprisingly high, despite the devastating casualties."

U.S. Marine Col. Tim Pintal—chief of the Lebanese Army's modernization program—is confident that the army he helped to create will win the war. "Americans talk about tactics and strategy," he declared. "Professionals talk about logistics. I have always said that the Lebanese Army will fight for one day longer than the opposition."

Pintal's military bravado underlaid a message by Capitol Hill. Congress's survival depends directly upon the awesome strength of U.S. firepower—and the potential loss of more American



thicket crowd Beirut harbor to reach one of the ferries leaving daily for Cyprus, thousands of those who are less fortunate stay in Beirut, living with relatives, crowding into cheap hotels or camping in lawns and state-owned. The Geneva-based International Committee of the Red Cross said it carried 115,000 refugees and last week it appealed for \$6 million to look after them for another three months. It is impossible to estimate the exact numbers of people stranded in the Beirut, but UNRWA spokesman Lawrence Speiser said that 25,000 Christians are trapped in the village of Deir al-Qamar alone, along with the local population of 5,000 and Druze fighters who control the surrounding area. Red Cross medical teams last week treated 16 cases of typhoid among 20,000 Syrian Muslims sheltering in the tiny village of Rihina, in the Chouf. As a British banker in Beirut told *Moinsen's* correspondent Wright, "Last year they were killing people; this year they are killing hope."

At the same time, refugees from the Chouf related stories of cases of atrocities. A 36-year-old Christian widow, Mary Najem, for one, said that Druze soldiers entered the home of an elderly Christian couple in Maay el-Shuf and shot them and their young grandson. A second grandson ran to the home of the local priest, Rev. Antoine Aboud, where Najem and her 20-year-old daughter Laila were taking refuge. They killed Father Aboud instantly and cut down Laila and the boy when they tried to escape. Najem survived and said she will not forget the names of the men who killed her family. And Druze spiritual leader Sheikh Muhammad al-Saigra showed journalists a huge steel fork which he said Palestinians had used to gouge out the eyes of their Druze prisoners. Condemned one Druze soldier "This is a civil war. The attitude on both sides often is that if women or children are in the middle of a battle, they are not part of it, they don't belong."

In the extraordinary politics of the Chouf, *Moinsen's* was even the word "massacre" has become devalued as both sides rush to display the grisly evidence. The horror of each atrocity fortifies the deep and violent bitterness between the Lebanese Christians and Muslims. Clearly, the entry of foreign troops into the nation will never ease the profound internal problems of its embattled people. Indeed, so last week's events showed, it may even harden this historical hatred.

Arafat's uneasy return

The dramatic change in Palestinian Liberation Organization chairman Yasser Arafat's image suggested that he was making a new start. One-chance and without the trademark red-and-white checkered keffiyeh he wore as his head, Arafat floated with his followers on a white rooster launch to mark his return to Lebanon on Sept. 16. Bearing heavily during an incomplete inspection of his troops, he admitted confidence about the chances of a renewal of the PLO's high-profile role in the country. He might also now try to reassert his authority over the PLO—a role that was recently curtailed by last summer's meeting in his exile.

It was unclear exactly how Arafat had moved secretly from his headquarters in Tunis to the northern Lebanese port of Tyngel, his first venture onto Lebanese soil since his expulsion from the region by Syrian President Hafez al-Assad in June. But there was no mystery at all about the fact that Arafat's reappearance in Lebanon embarrassed the very people who might have been expected to welcome it: the Druze and other Muslim leaders.

Lebanese Muslim leaders feared that during the current crisis Arafat or his militant PLO colleagues might reassert PLO control over Beirut and other areas that the guerrillas evicted last year following Israel's invasion. When Arafat offered the PLO's support in the Chouf fighting, Druze leader Walid Amal said, "I was grateful for the offer. But," he added, "We do not want anyone to establish an especially after a long absence." Former Lebanese prime minister Shafik Salameh, a long-standing ally of the PLO, added bluntly, "Beirut would have liked to hear the Palestinian advocating their return to Palestine and Jerusalem, not to Beirut." This Salameh reminded Arafat of the "entire room and border violations of Beirut," despite their suffering last year "to ensure the safe exit of the PLO leader and his 'indignities' from the Lebanese capital."

For his part, Arafat declared that while Palestinians fought alongside the

Druze militia in the Chouf last week, the PLO had not officially announced the move. And U.S. diplomats in Beirut believed that most of the Palestinian fighters in the Chouf were Arafat's opponents in the five-month-old mutiny against his leadership.

The continuing mutiny effectively supplies the 10,000 PLO guerrillas from all eight factions who are believed to be behind Syrian army losses in eastern and southern Lebanon. Efforts to negotiate a truce with Syria, whose leading has made the rebellion possible, remain on a back burner during the present crisis in the Levant. But the issue still remains. Arafat assured journalists that "we are working on bridging the gap" with Syria. Nevertheless, he admitted that there was no evidence they could reach an early agreement enabling his mainstream PLO faction to resolve its differences.

Until the eruption of fighting in the Chouf the guerrillas had seen little action. Israeli and Western military sources agree that Lebanese Muslims, particularly the Shiite population which predominates in the southern quarter of the country still under Israeli control, have carried out the most attacks on Israeli occupying forces. And despite Lebanese government claims about the Palestinians' military role in the Chouf, there are still grave doubts among military commanders of the multinational force about the extent of their activity. "We simply do not have sufficient proof yet to back up previous claims," said one high-ranking NATO official. "We know they are up there, but there are strong indications that the bulk of the fighting is still being done by the Druze and other Lebanese [Muslim] allies," a reference to the best of their antipathetic relationship.

Indeed, Amal claims that he has been ordered the Palestinians to leave the area. "Let them fight their own war," said one Druze politician angrily. For the first time in their 38-year history, neither Arafat nor his militant PLO rivals appear to be united by their former ally in Lebanon.

—RUTH WISNER in Beirut



Arafat, unwelcome

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Assignment: democracy. In Manila, inside Marcos' sprawling estate that Filipinos expect can no longer be controlled

WORLD

The sorrow and the fury

It was billed in advance as a Day of National Sorrow, and that billing proved tragically accurate last week. A giant peaceful protest against the Aug. 21 murder of Philippine opposition leader Benigno Aquino suddenly turned violent, leading to one of the bloodiest riots in 18 years of autocratic rule by President Ferdinand Marcos. In a small-hour showdown near the presidential palace, 11 people were killed and 300 injured.

The rally opened tranquilly enough. An estimated 400,000 people gathered in front of Manila's sandy-yellow colonnaded central post office on the 11th anniversary of Marcos' imposition of martial law. At first they listened to impassioned speeches by opposition politicians demanding Marcos' resignation. Then, against the instructions of the rally's moderate organizers, 1,000 youths broke away. Chanting Aquino's name, "Bisaya," they marched on Marcos' heavily guarded official residence in suburban Marikina. In a bold attack on police lines, just as 100 yards from the presidential palace, they hurled rocks and homemade bombs and set fire to police buses. Helicopters and presidential security guards replied with billy clubs, fire hoses and bullets, leaving the roadway outside the palace strewn with bodies.

An outraged Marcos went on television the next day to announce that his

government's policy of "maximum tolerance" of dissent was over. The 66-year-old president warned that his troops would respond to any further civil disobedience with "extreme but not already known of. We may have to return to the strictest of our military personnel." That thinly veiled threat to re-impose martial law, which Marcos lifted in January 1981, drew angry predictions from his opponents that a

teach how would only spark more bloodshed. Said Manila Archbishop Jaime Cardinal Sin: "I do not want to see our streets converted into rivers of blood."

The violence of the civilian demonstrations—there were at least four last week in Manila alone—underscored a concern among Marcos' opponents that Filipinos angry can no longer be controlled. The opposition had hoped to build a peaceful and effective resistance movement behind Aquino. But since his assassination, Filipinos' patience has reached the breaking point and so single leader has been able to wield the broadly based opposition groups into a disciplined movement. "Marcos has never been more unpopular than he is now," observed one Manila-based diplomat last week. "But the power of the movement against him is enormous."

Still, several leading politicians have ambitions to succeed Aquino. One is Salvador Laurel, who heads a 10-party opposition coalition known as the United Nationalist Democratic Organization, and who renounced his National Assembly seat Sept. 16, denouncing the body as Marcos' puppet. Another is former senator Jose Diokno, who spearheads the Justice for Aquino, Justice for All (JINJA) movement. But despite their growing personal popularity, neither poses a critical threat to the Marcos regime and its powerful supporters in

the military. Nor does the church, which issued a call for free elections, free speech and a free judiciary late last week, have much temporal influence. Said a Western diplomat: "The only threat [to Marcos] comes from within the president's immediate circle, from people who may justify for position if they see his health failing."

The question of Marcos' succession remains central to the country's stability. One strong contender, the president's 40-year-old wife, Imelda, last week told reporters that she is "just dying" to return from politics. She claimed her secret plan to give up her post as minister of human settlements and governor of Metro Manila next year was "irrevocable." However, many Filipinos doubt that Imelda has really renounced her long-cherished goal to succeed her husband. Meanwhile, members of the military have pledged their full support to whoever succeeds the aging Marcos.

Many Filipinos insist that to head off further civil strife, Washington must pressure Marcos to work for national reconciliation. During a presentation before the House subcommittee on human rights and international affairs in the U.S. capital last week, exiled former foreign minister Raul Manglapitan criticized the Reagan administration for its stance on dealing with Marcos. He accused Washington of "policy inertia" because it is afraid of jeopardizing its highly strategic military installations in the Philippines.

Manglapitan echoed other Filipino opposition politicians' call for a cessation of President Reagan's November visit to Manila. The trip is being widely interpreted as a vote of support for the Marcos regime. A White House spokesman identified that last week's bloody protests have made it "very difficult" for Reagan to proceed with the tour. But Elsie Abueva, assistant secretary of state for human rights and humanitarian affairs, recommended that the president go. He argued that associations of the visit would "reinforce a really strong intervention in Philippine politics."

With at least tacit support from Washington, Marcos is confining his crackdown on burgeoning dissent. The capital's police chief, Maj.-Gen. Prospero Ordoñez, vowed that his men would disperse any demonstration that did not have a legal permit. "We have held back too much already," he said. Indeed, as tensions in the Philippines recede, neither the government nor its many opponents seem prepared to act with restraint. The prospect, therefore, is that Days of Sorrow will become a frequent occurrence in the Philippines.

—JARED MITCHELL, in Toronto, with correspondents' reports



Gandhi Lichstein (below): igniting a wave of controversy over the value of the UN

THE UNITED NATIONS

Wearing out a welcome

The session seemed merely routine—a simple housekeeping meeting to prepare for last week's opening of the United Nations' 38th General Assembly. Then, citing Washington's refusal to allow Soviet Foreign Minister Andrei Gromyko to land at the airport of his choice, Soviet delegate Igor Vinogradov suggested that the United States was acting as a poor host. That brought an unusually sharp rebuff from Charles Lichstein, the deputy U.S. representative. If other nations considered themselves ill-treated, said

brightened members' concerns about the current shift in superpower relations, fears that had already caused Indian Prime Minister Indira Gandhi to schedule two two-hour mini-sessions, Sept. 27 and 28, to stave off a further deterioration in relations.

Meanwhile, the hostile mood generated by Washington's rebuff to Gromyko, itself a sequel to the downing of Korean Air Lines Flight 007 by the Soviets on Sept. 1, breathed new life into Washington's long-standing debate over the UN's usefulness. For years liberals have bemoaned the global body's inability to settle international disputes and its stridently anti-American rhetoric. Conservatives believe that the UN now serves Soviet bloc or Third World causes exclusively.

Indeed, by a lopsided margin of 66 to 23, the Senate voted last week to cut Washington's contribution to the UN budget by nearly \$500 million over the next four years. Washington now provides more than \$800 million annually for UN activities. "If we're going to get constantly criticized," said U.S. Representative Pat Leahy of Vermont, "maybe someone else should pay for it."



Lesby and others in Congress are particularly upset that while the United States gets some 20 per cent of the US's annual budget, the Soviet Union contributes only 18 per cent.

Defeating her deputy last week, US Ambassador Jeane Kirkpatrick informally proposed that the US divide its time between New York and Moscow, spending six months a year in each city. President Ronald Reagan endorsed that idea, telling a conference of ambassadors, "It would give all those delegates an opportunity to see two ways of life." The president even had kind words for Kirkpatrick's important remarks. He and the diplomat "had the hearty approval of most people in America."

However, an ABC television poll last week showed 75 per cent of Americans favor keeping the US in the United States. Not only that, but Reagan himself, in advance of his address to the General Assembly, was expected to tell US Secretary-General Javier Perez de Cuellar that Washington is committed to the US, while warning him against its further proliferation.

As the US's 157 nations began work on an imposing 140-item agenda, the world body's under secretary-general for special political affairs, Brian Urquhart, observed that the superpower conflict made the UN all the more indispensable "in a technological age." Urquhart declared, "Survival is the prerequisite and end survival is dependent on reconstruction."

India's Gandhi apparently shares that viewpoint. He invited representatives of the 141-nation Nonaligned Movement, which she heads, as well as leaders from East and West to her guesthouse. Prime Minister Pierre Trudeau promised to appear, as did French President Francois Mitterrand and leaders of 38 other countries. But Reagan's bar guests, as did Soviet leader Yuri Andropov, leaving prospects for the Indian initiative clouded.

The General Assembly's planned agenda includes debate on disarmament, North-South issues and conflicts in the Middle East and Central America. But diplomats from many countries recorded last week that the dawning of the Korean crisis—and Georgia's decision not to attend—but cast a deep pall over the gathering. Observers saw it as a disheartening portent that the annual US resolution for visiting diplomats included no invitations to the Soviet delegation. Under United Nations protocol, the White House explained, representatives are asked only if the head delegate—in this case Georgia—also presented. But that seemed merely a pretext for yet another skirmish in the current tri-for-two exchanges between the superpowers.

—MICHAEL POSNER in Washington.



Nite (right) with Italian Defence Minister Giovanni Spadolini discusses

SWITZERLAND

A break in the arms deadlock

US Assistant Secretary of State Richard Butts flew to Brussels last week for a secret but highly significant meeting. His mission was to brief Washington's NATO allies on the Reagan administration's new proposals for ending the stalemate at the intermediate nuclear weapons talks in Geneva. Unless there is a US-Soviet accord, NATO is committed to deploy 186 Pershing II and 464 cruise missiles in Western Europe, beginning in December.

The new US offer has not been publicly outlined in detail. But administration officials have leaked enough information to suggest that the formula represents a substantial concession from the West. Initially, Washington insisted that any agreement would have to cover Moscow's 160 SS-20 missiles targeted on Asia, as well as the 343 aimed at Europe. The new wording orders to US negotiator Paul Nite are to seek parity on warheads only in the European theatre. The Kremlin would have to freeze its SS-20 force east of the Ural Mountains while the right to match the Soviet total in Asia.

A second concession involves NATO's tactical bombers in Europe. Washington would agree to negotiate equal limits on both sides. Previously the United States had wanted to devote the first status of the arms talks to land-based missiles alone. At the same time, Nite reportedly was authorized to consent to proportionate reductions in the planned

NATO deployment of the slow-flying cruise missiles and the Pershing II, if the two sides agree to equal numbers of warheads. The warhead ceiling would be higher than the administration's present negotiating stance, which calls for 300 warheads on each side.

One change that President Ronald Reagan has not approved involves the British and French independent nuclear systems. The Soviets have insisted that any Geneva pact must include these systems in the West's total count. The French and British maintain that they are not part of the NATO mix.

There is also some confusion about the Soviet stance on its SS-20 force. Last August Soviet leader Yuri Andropov suggested that the Kremlin would be willing to liquidate some systems if NATO pledged not to deploy its new weapons. He apparently repeated that offer in a letter he sent last week to opposition members of the West German Bundestag. But Western arms control officials say that Moscow's negotiator, Vali Kuznetsov, has qualified the Andropov proposal. Liquidation would cover only SS-20 missile launchers, not warheads.

Soviet Chief of Staff Nikolai Fokov was cool in response and warned that any NATO deployment would force Moscow to target new missiles on the United States—suggesting that the hard bargaining is about to begin.

—MICHAEL POSNER in Washington.

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Low dealings in high places

When government investigators burst into the corporate headquarters of the vast West German Flick Group in Düsseldorf two years ago, their findings stunned them. The raid was part of a meticulously detailed investigation into suspected massive illegal contributions to leading politicians. But the police believed that those people involved would have destroyed any evidence of guilt. Then the searchers found hundreds of documents carefully noting "unofficial" donations that the giant holding company made to six political parties then represented in the Bundestag. Not only that, but the file included signed receipts from such leading figures as Chancellor Helmut Kohl, then Opposition leader, Roderich Kieser, Minister Otto von Guericke and Bavaria's Christian Social Union leader Franz-Josef Strauss. The list constituted a veritable Who's Who of West Germany's public figures. "How anybody would keep these kind of company files is a mystery," one of the investigators later declared. "It could happen only in Germany."

The public prosecutor's office in Bonn has still not decided to lay charges. But the disclosures have clearly shaken public confidence in West Germany's political and business leaders. For the low-profile Flick Group the affair is particularly embarrassing. With revenues from diversified holdings totalling \$4.6 billion last year, Flick is a pillar of the West German industrial infrastructure. But if the prosecutors lay charges, its chief executives could face huge fines and even jail sentences.

The scandal originated in 1975 when Flick sold 20 per cent of its stake in automobile Daimler-Benz for DM 2.1 billion (\$66 million). Flick, West Germany's largest family-owned company, holds interests in transport and armaments builder Krauss-Maffei AG, which has built 120 advanced Leopard 1 tanks for the Canadian Armed Forces, as well as major stakes in explosives manufacturer Dynastar Nobel and the US chemical giant W. R. Grace & Co. Naturally, the Flick Group would have paid a large capital gains tax on its 1975 Daimler-Benz sale. But in an unusual move, later claimed by Lambdorff, Flick made a legal tax exemption worth DM 450 million (\$137 million) by reinvesting the proceeds from the stock sale in projects that the government declared would be "specially beneficial to the economy."

Afterward, Friedrich Karl Flick, the

66-year-old chairman of the consortium, modestly increased his already substantial donations to the political parties' slush funds. Documents seized at Flick's offices reportedly indicated that company handouts rose steeply from DM 1 million (\$440,000) in 1974 to



Lambdorff denegates allegations

DM 3.6 million (\$1.6 million) after the Daimler-Benz deal. Flick also kept a detailed donations list of politicians and their parties. But according to the investigators, such politicians as Kohl and former West German president Walter Scheel never personally received

funds. Flick may, however, have given money to Lambdorff, the able member of the Free Democratic Party, who has directed the economic ministry in the past two Bonn governments, headed by former socialist chancellor Helmut Schmidt and his Christian Democratic Union successor, Kohl. Working from leaked documents, two West German newspapers recently alleged that Lambdorff received personal payments of DM 145,000 (\$68,500) from the Flick Group between 1977 and 1980, an accusation that the minister so far has only denied.

The scandal threatens to damage more than just Lambdorff's career. Any criminal charges will seriously embarrass the Kohl government at a time when it is trying to master authority to face down massive demonstrations protesting NATO's deployment of Pershing II and cruise missiles. Aware that the scandal could play into the peace movement's hands, the government is pressing the prosecutor's office to delay any indictments until after the protests have subsided.

For Flick's part, if it is convicted of tax evasion, the company could face a crippling penalty of at least DM 650 million (\$207 million). At the same time, it is still unclear why Flick chose to make regular contributions to such a wide spectrum of political parties. One answer may be that he was simply following a strategy originally used by his father, Friedrich, who was well-known for his ability to turn a profit from almost every major political event in modern German history. During the First World War the elder Flick bought up strategic factories, reorganizing and expanding them into models of efficiency. In the depths of the Depression he lured the imperious of industrialist great violations with politicians when the government of Heinrich Brüning saved him from bankruptcy by buying stocks in Flick's failing mines for three times their market value. Flick then helped to backfill the Nazis' rise to power after 1933 and in return was given control of Jewish-owned industries under Adolf Hitler's Aryanization program.

But that collaboration led to Flick's trial at Nuremberg for war crimes in 1947. He explained that his financial support for the Nazis was only part of a wider policy of supporting all parties and that he had merely intended to take an "political insurance." But the Nuremberg court disagreed, and Flick Jr. received a seven-year prison sentence (of which he served five). West German observers now predict that the young Flick could suffer a similar though not necessarily quite as severe penalty.

—PETER LEWIS in Brussels

1984 PONTIACS. MAKING NEWS WHILE THE COMPETITION IS STILL MAKING PLANS.



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Fiero, first with Endurance panels (left). Mid-engine configuration for a precise shape. (Right)

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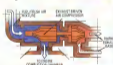
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As lower corn farmer inspects the damage, rising commodity prices will mean higher food bills for Canadian consumers

BUSINESS

A searing drought, a meagre harvest

By James Fleming

It was a summer in which Mother Nature turned a hand and cruel face on most of the 37 million U.S. farmers. Beginning in early July the seemingly heartless force hit them with a devastating combination of relentlessly high temperatures and eerily rainfall that parched land and withered crops in a huge 38-state belt, running from the eastern seaboard, through the Middle West and south into Texas and Mississippi. The worst victims of the three-month ordeal were the farmers, who sustained severe losses in such crops as corn, soybeans, tobacco and cotton. But consumers in the United States, Canada and other countries will also suffer from the effects of nature's malice, as rising commodity prices set off a chain reaction that will end in price hikes in supermarket shelves.

The dire consequences of the lent, and summer were revealed late last month when the U.S. department of agriculture released a depressing tally of production setbacks. It estimated that the harvest of feed grains—a key factor in the price of poultry and livestock—will fall 44 per cent from 1982 Output of corn alone is down by 48 per cent from 1982 and soybeans by 35 per cent. The farm steamed already nervous world commodity markets and sparked a wave of panic buying by countries that feared

coming shortages to crucial agricultural imports.

Japan and the Soviet Union have been the most active players in the U.S. markets. For its part, Japan, the biggest foreign consumer of U.S. agricultural products, ordered 15 million metric tons of feed grains by late August, a 20-per-cent increase over 1982. Similarly, the Soviets—the largest corn and wheat importer in the world—averaged to buy 2.5 million metric tons of U.S. grain this year, after buying none last summer. That sudden increase in demand, combined with the bidding of nervous speculators, increased U.S. corn prices by nine per cent and soybean prices by 20 per cent in August. And because the United States dominates the world production of many commodities, especially corn and soybeans, prices also spiralled upward in other countries. According to Anne Durkin, a federal government agriculture specialist in Ottawa, commodity prices on Canadian markets have risen dramatically in recent months even though Canada was relatively drought-free. While both barley and corn prices were up 65 per cent last week from 1982, the price of soybean meal had increased about 70 per cent in the same period.

The blame for this escalation of prices and prices cannot be placed on nature's whimsiness. Ronald Reagan's Payment in Kind (PIK) program

was another cause of the crop production losses. The purpose of PIK was to cut back burgeoning U.S. grain reserves, swollen by last year's bumper harvest, and increase farm incomes. It encouraged farmers to leave their land fallow, and, in return, the government allocated them a share of the national grain surplus to sell on the markets. But the program had the unintended effect of adding to supply shortages caused by the drought. It is estimated, for instance, that the nation will have less than one billion bushels of corn on reserve by next September. They fear that the low reserve level could lead to shortages and more price increases in the 1984-85 crop year.

In Canada government officials are hesitant to predict the exact impact of the commodity price spiral on food prices. They point out that there are still a number of unknown factors, such as Brazil's ability to help shore up the world's soybean supplies. But according to Durkin, food price hikes are a certainty. The first goods affected, he says, will be poultry and dairy products, and by next spring he expects beef and pork prices to increase as well. That is bad news for Canadian consumers. But it underlines a basic law in the international trading arena: when farmers in the United States suffer misfortune, the effects are quickly felt worldwide.

With William Loucheur in Washington.

The West's new energy schemes



Chief Joe Zaccary, assisting Cold Lake operators (below): concessions

For an industry littered with broken dreams of rapidly rising energy prices and billion-dollar megaprojects, the decision highlighted a welcome new trend for the West's resource-hungry energy sector. Federal Energy Minister Jean Charest and his Alberta counterpart, Joe Zaccary, announced in Calgary last week that financial and tax concessions by both governments would open the way for Enbridge Resources Canada Ltd. to construct a \$200-million, 30,000-barrel-a-day oil sands project at Cold Lake, Alta.

The Enso project, which covers the first two phases of a six-stage development that will cost \$1.5 billion and produce 52,000 barrels a day by 1996, is only one of several similar schemes now on the drawing boards. Aided by concessions from governments now more interested in reviving the industry than enjoining larger tax revenues, major oil projects are making a comeback in the region, although they are doing so in a scaled-down version from their ill-fated predecessors, the once celebrated megaprojects.

Last spring BP Canada and Petro-Canada announced plans to build a \$200-million, 7,000-barrel-a-day oil sands plant at Wolf Lake, Alta., by 1995. As well, in September the Saskatchewan and federal governments unveiled plans for Saskatchewan-based Federated Co-operatives Ltd.'s \$400-million heavy oil upgrade in Regina. Husky Oil Ltd. of Calgary is drawing up plans for a \$45-billion heavy oil recovery project near the Saskatchewan-Alberta border.

While the projects will in no way lift

the West's energy sector out of its malaise, they do mark a pragmatic new approach to energy schemes on the part of both the government and the oil companies.

Chastened by the failure of the megaprojects, the energy companies are taking a more cautious approach. The Cold Lake project, for instance, will be only a fraction of the size of the \$10-billion development that the company shelved in 1985 in the face of the price squeeze between Alberta and Ottawa and falling oil prices. In addition, the Cold Lake and Wolf Lake projects will have several phases, with only the first coming on stream by 1995. As Don McIvor, chairman of Enso's parent company, Imperial Oil, put it, "We have come a long way since the energy project." Current plans, he added, are

"much more manageable in today's climate."

Government tax and revenue concessions have been the main cause of the revival of the energy projects in the case of Cold Lake, for instance. Ottawa has delayed the Petroleum and Gas Revenue Tax until costs have been recouped. As well, Alberta will levy only a nominal royalty until Enso recovers its investment, plus a 10-per-cent profit. "The terms that were negotiated were very generous for the project to proceed," said Enso Vice-President Ted Courtenay. In fact, the two governments made similar concessions for the Wolf Lake oil sands scheme, and the Saskatchewan and federal governments have guaranteed 35 per cent of the debt financing for the Regina oil upgrade.

For Alberta, whose energy-rebated economy is expected to achieve zero growth this year, the spin-off effects and jobs created by the schemes are welcome. Cold Lake, for instance, will create work for about 700 people during construction as well as 90 permanent jobs. More than 80 per cent of the equipment and services will be Canadian.

As Zaccary pointed out, the Cold Lake agreement provides an important "interim" framework of financial concessions that can be applied to other projects. Said Zaccary: "The agreement shows once again that government and the petroleum industry can work together. We're optimistic about the oil sands and we look forward to further progress for oil sands production." And it is an encouraging sign for a federal Liberal, Charest added, "What's good for Alberta is good for Canada." It was a comment that Alberta Premier Peter Lougheed has fond of making when the oil-rich megaprojects were the talk of the country.

—GORDON LEECH in Calgary



Daon's blueprint for revival

There was a renewed swagger in Jack Poole's stride last week as the president of Daon Development Corp. entered a meeting with Vancouver real-estate analysts. The recovery after 18 months of severe negotiations with bankers, Poole had hammered out a three-year survival plan designed to pull his company out of its \$2-billion debt. With a confidence not seen since the late 1970s, Poole sought, and won, the analysts' approval for his unusual scheme. Although aspects of it are controversial—Daon, for instance, would make interest payments to creditors in common shares rather than cash—the plan has injected a new optimism into Daon's prospects. As one analyst observed as he emerged from the meeting: "We could be witnessing a phoenix rising from the ashes."

If the reaction of the analysts is any indicator, Poole may be on the verge of restoring both his reputation and his company's balance sheet. That would be a remarkable revival for an operation that was a successful real estate player making aggressive acquisitions in Canada and the United States until soaring interest rates and an erratic real estate market brought it to its knees. Indeed, at an upcoming meeting of creditors and shareholders to consider the re-financing scheme, Poole will be asking for an endorsement of both his plan and his management capabilities. Said a senior Daon spokesman: "Mr. Poole is not just saying that the company has had a crisis point and that there's no other way out—he's asking for a vote of confidence in his management for the future."

Although Poole already has support for the plan from some of Daon's major lenders—they include Canada's five largest banks—his most immediate problem will be to convince other creditors and shareholders of the company's viability as well. That may not be as easy task as the drop in Daon's share prices on the stock market showed last week, many investors fear a massive dilution in Daon's common shares, which now total about 48 million but could increase by as much as 150 million if the complicated refinancing plan is approved. Indeed, Poole is asking Daon's creditors and shareholders to take shares, instead of cash, for debt and dividend payment. Under the scheme, major project leaders who are owed more than \$1 billion will be paid first if Daon properties are sold before Oct. 31, 1986. Any debt still owed after a property sale will be paid in common shares. Common shares would also be used by Daon to make interest payments on its \$407 million in other senior credit lines and



Poole's peering a vista of confidence

debenture holders. As well, dividend payments due to preference and Class A shareholders would be made in shares.

If he gets approval for the plan, Poole will proceed with the second stage of Daon's recovery. That is a deal to raise \$250 million by issuing new shares in the United Kingdom and Canada. The prestigious London firm, Kleinwort, Benson Ltd., and two Toronto-based firms, Wood Gundy Ltd. and McLeod Young Weir Ltd., would handle the issue. The involvement of the brokers already has lent credence to Daon's chances for success. Said one Vancouver analyst: "These firms are heavy hitters, and if they believe Daon can raise \$250

million in fresh capital, you've got to believe they can."

For his part, Poole is confident that he can lead Daon back to the top. That is not surprising for a man who has always made bold moves. Born in 1923 in the small farming community of Montebello, Saskatchewan, Poole embarked in a number of business careers, including a stint as a salesman with the Puller Beach Co., before turning to real estate. He formed Daon in 1964 with partner Graham Dawson, the head of Dawson Construction Ltd., and a son of an old-line Vancouver establishment family. Daon expanded into land development, condominium conversions, shopping centres and office developments in Canada, owning such well-known buildings as Place Victoria, in Montreal. Then, in 1976, it made a strategic leap into the U.S. real estate market. Poole quickly became a fixture in Washington, southern California and Colorado, as Daon's U.S. holdings expanded and represented two-thirds of the company's assets.

Tony Yee, a Vancouver-based analyst, says that Poole was "an aggressive man who loved to sell and see Daon grow, and people loved to watch him." But, adds Yee, the recession forced Poole to make drastic cutbacks, including halting of condominium construction projects in Miami and southern California. As well, Daon trimmed its staff from 900 to 200 in the past two years and moved out of five of its seven floors in the company's "Golden Tower" building in Vancouver. Poole also put his \$2-billion West Vancouver house up for sale for \$4 million—it remains unsold—and unloaded his Hawley Sledley Jet and Sun Valley, Idaho, retreat.

Now, many analysts believe that Poole will secure the needed funds to implement his recovery strategy. Said Yee: "Common shareholders would get zero if the bankers pulled the plug now." And that, adds Yee, is not something the bankers are likely to do. "The bankers have an other choice. If they put Daon under, they'll be saddled with assets that they believe Jack Poole can manage better than bankers."

For his part, Poole counts on investor confidence. Of late, he has been in an ebullient mood at local parties, crowing about the success of his negotiations with Daon's major bankers. That even if Poole is given a chance to carry out his plan, the sense of Daon's recent misfortunes will remain. As a Daon spokesman pointed out: "Poole has proclaimed publicly that he won't be retiring in any more real estate battles in the near future." As a result, if Daon does prove to be a corporate phoenix, it will be as with clipped wings.

—SUSANNE FORDNER in Vancouver

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Rallying around Canada 1

By Peter C. Newman

The real story of Newport '88 was the constant between during and after.

In typical Canadian fashion the dimensions of our entry was written off as an inevitable failure which should teach us to stay out of big boys' games.

It was no such thing. Canada's news-permitted daily mirroring with equipment that showed no margin for error and one-eighth the traditional work-up time. Best of all, in all these dimension races when Canada was mathematically out of contention, Terry McLaughlin and his brass crew did not quit, losing their final race by a slivering 16 seconds. Our standing in the semifinals was a most honorable mention. To complete about Canada's performance is like being disappointed that Terry Fox did not make it past Thunder Bay.

The teaming genius and grinding wastes were only the most visible part of the contest. Behind the dual effort was the delicate private task of collecting the \$6 million required to finance Canada's entry. The other challenges were backed by individual angels with apparently infinite funds.

Credit for crowning up the idea of a Canadian challenge and having the nerve to keep striving against increasingly impossible odds goes to Marvin Meckill, the Calgary lawyer who created the event. Credit goes to the Cove Yacht Club to sponsor the Canada 1 campaign. "The America's Cup," Meckill told *Maclean's* last week, "is a combination of human skill, technological expertise, black art and good luck—that's what makes it such a challenge." Cove Yacht Club to sponsor the Canada 1 campaign.

Meckill strained the fiscal resources of western Canadians, not usually noted for their philanthropic impulses, but eventually reached his cbb. To the rescue came four members of the eastern Canadian sailing fraternity who became the main providers of fund-raising drive. Cedric Griffin (president of Ross Simmonds), A.G. Griffin (former chairman of Hines Oil), Robert Grant (former owner of Overland Transport) and John Lockwood (former chairman of Carling O'Keefe). "It was a magnificent campaign, conducted in a style that oscillated between daunting and approachable," recalled Griffin, who was manager of the Canadian Olympic sailing team in 1976. "We did it to support a dedicated and skilled crew oper-

ating under severe disadvantages and with the belief that a Canadiana entry could become a unifying symbol and was years overdue. Also, we knew that the eastern Canadian yachting establishment would never really have the guts to do it. Marvin Meckill and his team from the West may not have known what they were getting into, but they did get going and they managed to invent for it what was a combination of blind faith and publicity."

Griffin and his fellow organizers staged a swift fund-raising drive for \$2.5 million, which included \$157,000 in \$5, \$20 and \$100 contributions from yacht club members all over the country. Except for Labatt's, which became a major corporate sponsor, most company treasurers spun their wheels, citing the tough economic climate, and primarily turned their eyes inwardward while seeking responsibility to shareholders, which prevented them from

'We did it to support a dedicated and skilled crew operating under severe disadvantages—it was years overdue'

supporting anything as frivolous as a sailboat. Well-founded doubts about whether or not Canada 1 would ever get to the starting line made fund-raising so difficult that corporate giving amounted to only \$200,000. Apart from Labatt's, the largest corporate gifts (at \$50,000 each) were Alcan and Cdnair of U.K. The Ontario government threw in \$45,000.

Because most of the contributors to the Canada 1 campaign made anonymously a condition of their donation, no complete log of how the money was raised is possible. But a partial tally, from various sources, shows how some public-spirited Canadians rallied to the cause. The largest contribution, a "loan" of \$2 million, came from Versa Lyons, the head of Guelit Industries in Calgary (whether or not that "loan" will eventually be turned into a gift is still being negotiated). The second most generous benefactor was another Calgary, Harold Stinson, who promised a dollar for every three raised by the Toronto group. It cost him \$200,000. James Richardson, of the Winnipeg grain firm,

dropped in \$200,000. Michael Compbell, head of the Ottawa Valley's Mill Corp., and his wife donated \$50,000, while \$100,000 each came from the Calgary-based Christie Foundation, the Syd Kabanoff Foundation and from Howard Webster.

Freddie Eaton, Galen Weston and the McLean Foundation gave \$50,000 each, and 36 individual donors sent cheques for \$10,000. This latter group included Irving Greenberg (People's Jewellers), Frank Bess (Bever's Milk), Douglas Bassett (Harris Broadcasting), Joe Barwick (Toronto real estate), James Craig (Architect), Clifford Hask (Hask Walker Resources), Douglas Hatch (Hatch's wine), Michael Dwyer (publisher of the Kingston *Wing Standard*), Gordon Fisher (Southern Inc.), Robert Grant (retired director), Lawrence Helly (Harlequin Books), David Howard (Citigroup), Senator William Kelly (Conservative), Robert King (Canadian Utilities), Murray Koffler (Shoppers Drug Mart), Rodcliffe Laitner (Trans-Canada PipeLines), Laghona McCarthy (Ray Street Investment broker), William McLean (Canada Packers), Helen Phillips (wife of Paul Phelan of Cdnair), Christopher Roper (Thomson insurance), Irving Saperstein (presenter), Walter and Duncan Gordon (Canadian) and Hartland Nelson, who would have given more but for Labatt's overall sponsorship. Another \$40,000 came from Cavalry Investment Club, a blue-chip group of Toronto's big lenders which agrees to compare debt-equity ratios, headed by Alf Perna, chairman of Noranda.

Paul Phelan holds a \$25,000 mortgage on Canada 1 and has agreed to make a \$200,000 gift if the balance is paid off. The upstate still faces a \$500,000 operating deficit, but not all of the donations have yet been collected.

The success of the fund-raising effort has prompted hopes for a return match. "Of course we'll be there," says Meckill, the man who started it all. "We've already begun to get the pieces together for another shot." The main concern of these planning a renewed challenge is avoiding the kind of last-minute effort that had to be mounted last year. They hope to have two-thirds of the funds (about \$5 million) available from the start. With Conrad Black as host, there is already a dinner list flooding around with 50 names on it, all of them with personal and/or corporate fortunes large enough to match Canada 1.

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The case against the media giants



Fisher: Kenneth Thomson (right) has lost Tribune; the evidence came from waste-baskets

by Ian Austin

Some thick black binders are the focus of attention in a Toronto courtroom. Between their covers are 320 confidential documents that federal cabinet investigators seized from the *Globe and Mail* and *Winnipeg Tribune* Newspapers Ltd. and *Southam Inc.*, in made in September, 1980. The papers are Crown counsel Claude Thomson's main ammunition in his bid to prove that the two newspaper chains participated in an unlawful conspiracy that ultimately wiped out newspaper competition in four Canadian cities and eliminated some 1,745 jobs in the process. The trial, an monopoly charges under the federal Competition Act, will likely continue at least until Christmas. But the first week of testimony provided an intriguing glimpse into the case that will emerge from the prosecutor's black binders.

The events that brought *Southam* and *Thomson Newspapers* to court began with the closing of *The Montreal Star* on Sept. 24, 1978, leaving the country's second-largest city with just one English-language daily paper, *The Gazette*. Then, 11 months later, on Aug. 27, 1980, *Southam* shut down the *Winnipeg Tribune* and *Thomson* closed the *Ottawa Journal*, while *Southam* took control of both Vancouver dailies, *The Province* and *The Sun*. The series of moves left *Southam* papers with an effective monopoly in Vancouver, Ottawa

(*The Citizen*) and Montreal, and *Thomson* alone in Winnipeg with the *Free Press*. Those moves ignited both the Canadian Investigation Branch probe and the 1981 Kent commission on the industry, which subsequently refuted the media giants' claims and proposed a federal newspaper act.

Prosecutor Thomson began his case with the startling claim that two cabinet investigators and a team of lawyers had rummaged over the past three years to piece together an incriminating paper trail. The secret documentary evidence—along with the testimony of about 12 witnesses—will reveal, the prosecutor declared, that meetings involving top executives of ostensibly rival newspaper chains, starting as early as the mid-1970s, ultimately led to agreements to close three newspapers. Indeed,

one undated memo that a reader-analysed *Southam* executive wrote before the doctored *Star* closure events with amazing accuracy. Referring to *Thomson Newspapers*, it says "They get out of Ottawa. They get out of Montreal. They get out of Vancouver. They get control in Winnipeg."

Prosecutor Thomson introduced less than half of the evidence contained in his black binders during the first week,

same month, *Southam's* board of directors discussed turning *Montreal* into a newspaper arm by offering the *Star's* owner, *PP Publications*, which Thomson took over in January, 1980, a share of *The Gazette*.

Concerns over the *Star's* future were also growing at *PP*, which then also owned *Ottawa's Journal*, *Winnipeg's Free Press*, *Vancouver's Province* and the Toronto-based *Globe and Mail*. In June, 1979, following a strike that shut the *Star* down for eight months, *PP's* board, fretting over continuing losses at the *Star*, gathered its president, George Curran, to begin negotiations with *Southam*. A July 4 memo bearing Curran's initials outlined three alternatives for the Montreal market. One would have kept the editorial, circulation and advertising departments of the *Gazette*

and *Star* separate, but combined production facilities. Estimated profit: \$18.7 million a year. A similar arrangement would have combined everything but the editorial department, producing estimated earnings of \$5.7 million to \$11.4 million a year, in addition to cost savings of \$4.1 million. Finally, the memo forecast that a monopoly situation could have cut costs by \$27.8 million and produced \$90.7

million in annual profits.

Seized minutes of a board meeting later that month show that *Southam's* directors met to consider the Montreal situation. The *Gazette*, which traditionally lagged well behind the *Star* in circulation, had been isolated from its competitor's strike. But its new popularity brought problems. For one thing, *The Gazette* quickly outgrew its printing capacity. According to Crown evidence, *Southam* President Gordon Fisher, obviously aware the *Star's* modern, sophisticated press, said "We need their assets."

Although Montreal was a major problem, it was not the chain's sole concern in the late 1970s. A consultant's study that *PP* commissioned, pointed a bleak future for the *Ottawa Journal*. "We see no point in laying long-term plans for the *Journal*," wrote analyst David Jolley, now president of Toronto *Star Newspapers Ltd.*, on Nov. 16, 1978. He recommended that *PP* pump just enough money into the *Journal* to keep it alive, pointing out that its relatively healthy circulation would give *PP* a "buffer" in case of a future deal with *Southam* in Winnipeg.

Yet to come in the complex trial is a key evidence about the role of *Thomson Newspapers*, a family-controlled firm headed by Kenneth Thomson, son of the late Lord (Roy) Thomson of Fleet. The testimony will continue for months, but there is still a good chance that the trial will reach its conclusion long before the long-awaited Canada newspaper act becomes law. As it is now, the federal government's draft legislation has avoided Kent commission suggestions to preserve editors from corporate interference and to force the big chains to sell off some newspapers. Instead, the bill would freeze *Thomson* and *Southam* at their current levels of ownership (respectively about 21.3 per cent and 21.3 per cent of national daily circulation) and prevent emerging chains from controlling any more than 33 per cent of national circulation. But since last month's cabinet shuffle, no minister has been responsible for the proposed act. What is more, unconfirmed reports circulating in Ottawa suggest that the cabinet may water down the bill before it reaches Parliament.

Meanwhile, the mass of paper evidence at the government's disposal does not assure it success in the Toronto trial. In 1978 the Supreme Court of Canada overturned a *Comstock Act* conviction against C. Irving. It said that, although he had acquired all five of New Brunswick's English-language dailies, the Crown had not established that his actions were detrimental to the public. The Crown's task in this case is no less daunting.

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The competition freeze

By Val Rome

When Metropolitan Toronto's council first conceived the idea for a new, \$100-million police headquarters, it planned to give the building as much heft by holding a design competition among Canadian architects. But the Ontario Association of Architects (OAA) indicated that the competition would cause high costs and long delays. As a result, on Sept. 11, 1985, council members voted to reject the competition in favor of the more traditional method of simply choosing an established architect and commissioning a design—and rekindled a longstanding debate in the financially beleaguered Canadian architectural community.

At issue is who gets public contracts and how. Commented OAA's Michael, editor of the Montreal-based architectural magazine *Services*, "Bad news from Ottawa." She spoke for young architects across Canada who count on more public competitions to provide job opportunities, personal exposure and more creative designs. Alderman John Sewell, Toronto's long former mayor, reflected the dismay of some members of the public when he said "The OAA was the billy of an open competition. They gave Metro misleading information. I ask, should we put the OAA into trusteeship?" Carries the association's executive director, Brian Paris "That's nonsense." But to one dealer that architecture is a profession in which political connections are an important tool.

The most celebrated example involved Vancouver architect Arthur Erickson, a personal friend of Prime Minister Trudeau, who was the prestigious Washington Embassy design contest. In 1985 after he lost, ignored a competition jury's recommendation from among four other architects. But as Robert Hewesell, senior designer with the large Toronto firm Webb Zurek, said earlier this year, "Awarding contracts as a political ploy is a system everyone understands." At the same time, the provincial associations—the profession's licensing bodies—are under increasing pressure from younger, job-hungry architects to support more competition. This month the Toronto Society of Architects voted to demand an explanation from the OAA for its part in the death of the police headquarters competition. Meanwhile, the Organization of Architects of Quebec is considering internal recommen-

dations to foster more public sector competitions.

In theory, everyone favors some degree of open competition. In recent years, however, there has been only one competition in the Maritimes, none in Quebec, and last year's race to design the Mississauga municipal building was Ottawa's first competition in two decades. Western Canadian architects compete more frequently, but a decade ago Edmonton City Hall in 1980 earned the whole concept of competition. There, after a controversial and costly competition city council shelved

large institutional firms. Competitions offer the best opportunity for innovative designs to emerge. Canada's costly network of people doing business with each other because they belong to the same club causes mediocrity in our public buildings.

Still, competitions can be expensive. The initial cost of Calgary's 1981 city hall competition was high, deflated guidelines had to be published for all the entrants, and the jury flew in from Japan, California and Montreal. But in the end, says Calgary Alderman Jack Long, himself an architect, "we got the best design and our organization committee stayed on as the project's watchdog." Now, he adds delightfully, the new city hall, which is under construction, is on schedule and under budget. By contrast, city and provincial officials chose the Calgary Olympic Col-



Calgary Coliseum under construction: 'The fresh ideas come from competition.'

the winning design. Meanwhile, the province's, Gene Dub, a former Edmonton alderman, filed charges from fellow architects that he had enjoyed as inside track (Dub had originally proposed the competition and had drawn up its guidelines for fellow councillors).

Architects blame politicians for the rarity of open judging of public project designs. Says the Royal Architectural Institute of Canada's former president, Macy Dubois, "They are jealous of their prerogative to handle decisions." But other architects blame their colleagues. Argues Toronto-based Michael Kirkland, whose complex of sites and hars shapes won him first prize in the Mississauga competition: "Those who benefit most from the closed system are the

area's architect and project manager, it is \$16.5 million over budget, and construction is a year behind schedule.

While tensions exist in Toronto council chambers, debate across Canada continues to heat up. Says Ontario's Hird and "It is architecture the fresh ideas come from competitions. They are a necessity, like research in medicine." Adds Larry Richards, director of the University of Waterloo's school of architecture: "It is ridiculous that I can compete in Italy and Japan, but rarely in Canada." Given the profession's current 30-per-cent unemployment rate, architects may soon have to put the very foundations for the way they do business back on the drawing table. □

DIPLOMACY

New ties and old neighbors

While the dark clouds of trade protectionism continue to hang over the U.S. Congress, official relations between Ottawa and Washington have recently turned noticeably brighter. The Reagan administration appreciated both Canada's prompt reply to an Aeroflot landing request in response to the Korean airliner and the commitment to test the cruise missile. For its part, the state department earlier this month created a new and senior secretariat for Canadian affairs—a welcome piece of diplomatic symbolism.

The head of the new desk is Harvard-trained lawyer James Madia, and its creation reflects Secretary of State George Shultz's determination to pay more attention to Canadian affairs. At the same time, the state department has formally reinforced its European division—Ottawa's historic ally—after it is Washington—as the bureau of European and Canadian affairs. Ottawa now seems intent on strengthening the Washington connection. A recent shift in External Affairs consolidated almost all U.S. relations under a new assistant deputy minister, Derek Burner, 49. Madia, 40, has no direct experience with Canadian issues. But for the past two years he has been Ronald Reagan's special assistant for intergovernmental relations—dealing with the nation's 50 governors. The job, Madia says, allowed him to observe first-hand the U.S. side of such issues as steel, coal, natural gas imports, nuclear waste transportation and other transborder concerns. Calling and run the current job issue, Madia said that the White House will shortly propose a formula for sulphur dioxide emissions reductions. That proposal would "provide the basis for some fairly intense negotiations." The subject is also likely to dominate the scheduled Oct. 16-17 conference between Shultz and External Affairs Minister Allan Rock in Halifax.

The sharper focus on Canadian relations may not, however, be altogether salutary. Many Canadian officials have long maintained that Washington's traditional preoccupation with other parts of the globe frequently works to Ottawa's advantage. Shultz has now moved to correct the balance, and the results may well pose new challenges for Canadian diplomacy.

—MICHAEL FORDNER in Washington

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Olszewski (hidden under coat) with police escort. His boss was who botched a murder?

A peek inside the mob

Some significant but highly sensitive contributions only rarely—and generally unwillingly—allow the public a glimpse at their inner workings. The Mafia is a prime example. And that was the reason operators were so fascinated by the evidence in a Bronx courtroom in New York City last week. For once, there was a full public hearing about the inside story of a major Mafia undertaking—in this instance, a murder. And if a lay prosecution witness's testimony was reliable, the hearing documented a pathetic tale of two 60-year-old operators who bungled their assignment.

The Bronx trial dealt with the murder in August, 1983, of Nathan Masselli, 31, the son of a well-known underworld figure, Bill (The Butcher) Masselli. Both had been scheduled to testify in a justice department investigation into allegations that U.S. Labor Secretary Raymond J. Donovan had links with organized crime. Sources said Masselli was a bar on a well-lit street in the Bronx in front of hundreds of witnesses, and go-

ing quickly changed Salvatore Olszewski and Philip (Philby) Russo with the crime. Organized crime experts with the New York Police Department say both are longtime Mafia "soldiers" involved in loan-sharking and other illegal activities. Olszewski's trial opened last week. Russo's will start when Olszewski's is over.

A government informer and sensitive criminal, who testified under the pseudonym William Burns, provided the rare details. He was in New York's Rikers Island jail last year, after receiving a three-year sentence for grand larceny, when the accused, Olszewski, arrived to share a cell. Olszewski, according to Burns, was furious that New York newspapers had depicted him and Russo as a pair of has-beens who had botched their job by committing a murder in such a public place. Evidently, the proud Olszewski was hurt and he wanted to talk. "He said the cause the job was botched could have happened to anybody," Burns said.

He said that Olszewski and Russo were

concentrated with illegal activities in the construction industry. They feared that if the Masselli co-operated with the Donovan investigation, they might reveal information that would send Olszewski and Russo to jail. Burns said that his informant told him that the older Masselli had promised to keep quiet, and Olszewski then arranged a meeting with the son to determine his likely stance at the inquiry.

The encounter took place at night in Masselli's two-door Lincoln, which was parked on a brightly lit Bronx street opposite Van Cortlandt Park. Masselli sat behind the wheel with Olszewski in the front passenger seat and Russo in the back. But apparently Masselli was not as co-operative as his father said, according to Burns's account, the assassin quickly got out of hand. Burns testified that Olszewski told him that he slapped Masselli, knocking his head against the window on the driver's side. But the engine was still running, and Masselli (adventurously) jerked the car into gear, then slammed on the brakes. To Olszewski's amazement, the sudden jolt caused a listening device to fall to the floor. Olszewski recounted in jail that he and Russo had decided that if it became necessary to kill Masselli, they would first take him to a secluded spot in Van Cortlandt Park, just north of New York City, Burns said. But the sight of the listening device so enraged Olszewski that he abandoned the plan and cried out, "His wind! Shoot him, Philby!" At that, said Burns, Russo killed Masselli with a single 38-caliber bullet, the back of the head. They fled in a red Fiat five parked nearby, but Bronx District Attorney Mario Merino said later, "There were maybe 500 witnesses," and Olszewski surrendered later that week. Russo turned himself in within a month.

A special federal prosecution, Louis Silverman, subsequently announced in September, 1983, that he had found no evidence of any connection between Donovan and organized crime to which, generally, he did not refer. Silverman concluded, there was "no evidence of a relationship" between Donovan and Masselli's murder. In court last week Burns denied an accusation from Olszewski's lawyer, Louis Acosta, that he had fabricated the story of Olszewski's jail-cell confession in order to ingratiate himself with prosecution authorities. Burns was awaiting sentence on a charge of jumping bail when he first reported his conversations with Olszewski to the Bronx District Attorney's office in November. But despite the court's criticism, in order to ingratiate himself with "William Burns" is certain to raise doubts—at least about Silverman's second conclusion.

—WILLIAM LOFFHYER in Washington

ADVERTISING

A lifting of a liquor ban

Saskatchewan officials agonized over the decision for more than a year. When word finally came last week that the Conservative government of Premier Grant Devine will lift a 58-year ban on liquor advertising on Oct. 1, officials suspect the government of pandering to the interests of liquor companies—many of whom are major contributors to the Conservative party. But George McLeod, minister in charge of the Saskatchewan Liquor Board, was ready. Cauterized McLeod: "This did not come as a result of a heavy lobby. It is a responsible decision that simply recognizes reality." The decision actually moved Saskatchewan into the Canadian mainstream. Only Prince Edward Island and New Brunswick retain stringent restrictions on liquor advertising.

Newspapers and magazines available in Saskatchewan that are published outside the province—including Maclean's—carry liquor ads in recent years cable television and private satellite dishes have inundated Saskatchewan with beer commercials. The government decided that it had lost the war. Still, the opposition was strong. "This is a disastrous step," declared United Church minister Rev. Donald Funn of Regina, chairman of a 1973 special legislative committee which opposed lifting the ad ban. He argues that "all kinds of studies" point to advertising as a cause of increased consumption.

The liquor companies disagree. They maintain that they do not design their advertising to convince people to drink more. Rather, the companies say that they are trying to increase their individual share of an existing market. In 1977 study by the department of national health and welfare supports that argument. But other studies, including a 500-page report on alcohol advertising issued in 1985 by Charles Astein and Maria Black of McGill's Sirte University, have warned that liquor ads increase alcohol consumption among adolescents.

Even with Saskatchewan's relaxed laws, liquor, beer and wine companies will face a strict code of regulations in common with other provinces. Saskatchewan will not, for example, allow commercials showing people actually drinking alcohol or ads announcing the use of liquor with driving.

—DAVID BRIDGES in Regina

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A renewed passion for recycling

By Shona McKay

For two years Shirley Oldfield, a 60-year-old nurse from Kitchener, Ont., has found that putting out the garbage can be satisfying. In addition to the usual green garbage bags, Oldfield now uses a two-foot-high blue plastic tub emblazoned with the words, "We recycle." The flirty plumes, hot air, cans, jars and newspapers that have been separated from other household trash into the bin. This week Oldfield, who has participated in a pilot recycling program since 1981, will join 35,000 other Kitchener residents in one of the largest civic recycling projects ever conducted in Canada. The Kitch-



Oldfield (left), daughter with blue tub from counterculture's altruism to mainstream allegiance

ener scheme is one symbol of the quiet evolution of recycling from an altruistic, counterculture practice into an increasingly mainstream enterprise based on public openness to garbage landfill sites and the profit potential of the recycled aluminum beverage can. From Quebec to British Columbia, Canadians are paying new attention to recycling.

Waste disposal companies in particular are having positive second thoughts about recycling. Says Nyle Ladlow, general manager of Total Recycling, a division of Ladlow Waste Systems Ltd., the largest waste disposal company in Canada, "Recycling is expensive to start up but it is an efficient system and it is

something people want. I have no doubt that the message will spread and become viable in a business sense." Currently, Ladlow has established Ontario buyers for all the glass and newspaper that its accumulation Kitchener. However, the company admits that it made its initial capital outlay—\$200,000 for the plastic bins and \$100,000 for two special recycling trucks—with a few, potentially lucrative market in mind. Ladlow, along with an estimated 200 other recycling companies in Canada, is looking toward revenues from the sale of recycled aluminum beverage cans to make the industry financially secure. Since aluminum beverage cans first became widely available in the mid-1970s, every

hold recycling in New Brunswick and Victoria. "We started up in 1978, and the only reason we have made it this far was through government subsidies. Since the advent of aluminum waste six months ago, we have noticed a big difference. It has enabled the company to get off the ground."

Meanwhile, provincial governments are also under pressure to find ways to decrease the more than 20 million tons of waste that Canadians produce each year. Since as much as 50 per cent of the waste can be reused, governments turned to the recycling industry for relief. As a result, since the mid-1970s three provinces—Ontario, British Columbia and Quebec—have offered support to the garbage recycling industry by subsidizing the start-up costs of recycling companies. Last year Quebec spent \$2 million, Ontario \$500,000 and British Columbia \$100,000. For the most part, public openness to landfill sites and government involvement. The chief objections include vinyl pollution and fears that the steel will leak contaminants into neighboring water systems. Said Pierre Fillion, specialist in physical science for the Recovery and Recycling Department of Quebec's Ministry of the Environment, "Landfill is no longer felt to be a cheap solution. We have to start considering the implications that dumping will have on the environment, years from now and the cost of cleaning up all that pollution."

Currently, the Quebec government is considering a proposal that would let steel waste be 20 aluminum producers and beverage companies to independently organize and subsidize a province-wide, multi-material recycling program. Although the motivation behind the proposition is recovering and reusing the expensive alloy cans, the companies estimate that their plan will result in a reduction of \$28,000 tons or 14 per cent of the province's annual total waste. In Kitchener, Ladlow officials hope that neighborhood peer pressure will continue to attract recycling participants. Shirley Oldfield does not need to be convinced. As she dropped an empty soup can into her blue bin, she said, "It doesn't take much time, and they have made the process pretty convenient. Besides, recycling makes me feel good." ☐



Philadelphia catcher Dito tags Dawson on the plate; a dejected Dito (below) a team that is less than the sum of its parts

SPORTS

The enduring futility of the Expos

By Hal Quinn

"The difference between this year and the past four years," Montreal Expos catcher Gary Carter said last Thursday afternoon, minutes before a doubleheader with the National League East-leading Philadelphia Phillies, "is that this year we have to win." Short later, after losing both games, the Expos effectively had taken themselves out of the pennant race for the fifth straight year.

In 1979 and 1981 the Expos were eliminated on the final day of the season. In 1981, the year of the major league players' strike, they were knocked out in the last inning of the final playoff game. Last year Len Capi was hurt on the Monday of the season's final week. This year, after having once again been felled to win their division, the Expos were six games behind with only seven to play. The Pittsburgh Pirates demolished them 10-1 on Friday night and beat them again 4-0 on Saturday.

There were better reasons this time around. In past seasons, as the team's record repeatedly fell short, the experts said that it needed another pitching "ace" to complement Steve Rogers, the team's ace pitcher. This time around, the experts said to reform Jeff Burdette, that it had to solve the problem at second base. This season the club erased the shortstop Bill Goldsboro and Charlie Lea developed into fine pitchers with 26 and 15 wins respectively at week's end.

And on Aug. 18 the Expos secured all-star second baseman Manny Trillo from the Cleveland Indians. The team arguably was stronger, position by position, than any year.

But Thursday night against the Phillies, Lea and Rogers were shuffed. The hostilities echoed from the stands at Olympic Stadium. Fans booed as the news who had carried the team through the years filtered. Centre fielder Andre Dawson, generally acknowledged as the best all-around player in the game, got

one hit in eight times at bat in the two games and threw the ball into the Phillies' dugout, costing a run. And Gary Carter, acknowledged as the game's best catcher, was useless in eight attempts. Each time he picked up a ball the fans booed and whistled. Boasting the reputation, Carter grumbled and said, "I'm not a machine. I'm a human being."

It is not simple explaining why the Expos have not done better. Having fired the history, Carter said, "This one season right up there with all the other frustrations. You can't say that we have been unlucky, because we have certainly had the talent." The talent flowed from Rogers, Dawson and Carter through the National League's leading home runster, Tim Lincecum, to perennial .300 batter A.J. Oliver. It is a lineup studded with names that make baseball men shudder. No fewer than five Expos were on the National League All-Star team this season, and three Expos at or near the top of the ladder in almost every category of baseball achievement. The field remains, however, that the team has been less than the sum of its parts ever since the 1979 season when the Expos won 96 games, a team record that as numerous countenances.

As the Phillies have proved, a single blend of talent, maturity, leadership and circumstance is required to win. In Montreal there seems to be a growing realization that the time may have come to stir the mix. ☐



Grand acts and great expectations

By Mark Charnick

Ever since artistic director Robin Phillips left the Stratford Festival in 1980 and plunged Canada's most renowned cultural institution into a temporary crisis, the world of Canadian theatre—in any medium of film and television—has been primed for his dramatic reappearance in the limelight. Now the controversial prince is back, riding high on advance notices for his direction of the film *The Wars* and great expectations for his multimedia production centre at the Grand Theatre in London, Ont. As the Grand's repertory season opened last week with John-Michael Tebbel's *Godspell*, George Bernard Shaw's *The Doctor's Dilemma*, John Maxwell's *Waiting for the Parade* and Shakespeare's *Twelfth Night*, it was clear that Phillips had returned with a vision—and a vengeance. If his star-spangled absence succeeds, the balance of Canadian theatre may tip his way for years to come.

As the opening night crowds packed the lobby of the Grand Theatre, the excitement matched similar nights at the Shaw and Stratford Festivals—just as Phillips had intended. Despite extreme opening week filters, the stellar cast lined up to its billing, and Phillips' definitive production of *Twelfth*, one of Shakespeare's most eloquent works, brought the celebration to a dramatic close. Meanwhile, Phillips had already kept ahead of his rivals in the race to translate theatre to film and television. *Waiting for the Parade*, filmed in July by Toronto's Prismada Productions, will appear on CBC-TV early next year. The Grand Theatre and Prismada have contracted to film three plays and one movie a year, with some postproduction activity taking place at the theatre's facilities. "In live theatre we cannot ignore the audience with a closed cinematic viewing form," said Phillips. "We have skirted around each other for a long time, but somehow that carriage has to happen."

Essentially, Phillips has resurrected his Stratford empire at the Grand. The signs of Stratford exude: a handsome 35-member acting company and production staff; actors Martha Henry and William Hurt, head of design Daphne Barre and executive producer Peter Roberts. Along with Stratford and Shaw, the Grand will add to the huge pool of acting talent already concentrated in southwestern Ontario. The bizarre situation includes detestors as well as internationally acclaimed do-

rector John Neville in the Grand company, and former artistic director Michael Langham has returned to Stratford. The anomaly of five world-class artistic directors (including Shaw's Christopher Newton) guiding such theatrical wealth outside a major urban centre like Toronto prompts Stratford's artistic director John Hirsch to remark: "It is typically Canadian. If there is an absurd and perverse way to organize things, we do it."

But Hirsch finds the situation so laughing matter. Firmly protective of his festival's educational mandate—and its massive budget—Hirsch has ex-

pressed never at the Grand with a Stratford past. For a decade he has been blessed with a fiery godmother in Barbara Lee, a theatre patron from the heart of London's establishment who has served on the Grand Theatre board for 13 years. As a Stratford board member, Lee figured prominently in Phillips' taking over the festival in 1970. Later they shared the dress for a multimedia operation, but it never materialized. However, once the Grand board, having revisited its theatre in 1978, decided that it should take a major step forward into film and television, the choice for a new artistic direc-



Phillips: the prince of Canadian theatre has returned with a vengeance

pressed public concern that enterprises like the Grand will spread resources too thinly. The predictable rivalry between Stratford and the Grand has already flared into open hostility. Stratford Executive Director Jerry Eldred has accused Phillips of tampering with the internal workings of his administration, and all Stratford departments are on strict orders not to co-operate with the Grand. Meanwhile, Phillips' welcoming message to the opening night program deliberately referred to "negative response from some quarters within our own profession." The two boards have been seeking reconciliation but so far without result.

However, Phillips is not the only

one who is obvious. "It was a very short short list," says Levy.

So far, harmony has reigned between Phillips and the board, and the \$4.4-million budget for 1983-84 (close to double last season's figure) has raised his eyebrows—only \$600,000 in government start-up grants. Formerly Theatre London, the Grand remains a regional theatre, although now plays will not run out at a time to subscription audiences but in repertory as at Stratford and Shaw. Operating a repertory season over the fall and winter is a definite risk, since there is little hope of business support from Toronto and nearby U.S. cities.

Phillips is noted for running a tight

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Wood and canvas: Ronch's windmill: largest work of art ever constructed in Canada

ART

An explosion of color

Last May foothills ranchers laughed when their new neighbor, 46-year-old Vancouver artist Alan Wood, painted his coral, fance orange and yellow. Since then, the skepticism has given way to astonishment as Wood and 12 helpers have built—and brightly painted—1.6 km of fence, five bridges, a culvert and even ladies of hay. Twelve tableaux constructed of wood and canvas now sit in 230 acres of leased pasture 50 km southwest of Calgary, forming a Technicolor vision of the Old West called Ronch. The sprawling piece of environmental art is an attempt to dramatize the interaction between art and nature; as Wood says, he set out to "build a huge painting in the actual landscape." Last week, while Wood's Vancouver fund raisers continued to solicit patrons to pay for the privately funded \$500,000 project, Ronch, Canada's largest art work, finally opened to public view.

What visitors saw for their \$10 admission fee was an art gallery transplanted into a pasture. In places, Ronch looks like the playground of a preoccupied child; at other points it resembles a laboratory for color experiments. "No one can fail to respond to this color," says Wood. Indeed, there are few structures in Ronch that are not brightly hued. A three-bar fence, which links the enormous tableaux, changes color every 20 posts. The central corral pans to a specimen of the Old West were it not for its brilliant oranges and yellows.

Even more startling than Wood's choice of colors is his juxtaposition of them. A chrome-yellow pyramid of wood-and-canvas hay bales sits next to

mauve corral hay stacks which Wood fashioned after a landscape by French Impressionist painter Claude Monet. Then, a blue Japanese bridge leads toward a stark white windmill. Beyond the windmill four "wooding" barns sit on the side of a hill diminish in size to five feet high from 30 feet to suggest distance but, in an artist's joke on the rules of perspective, the bright red of the windmill barn makes it seem closest.

The jungle of artificial colors against the muted natural landscape is deliberate and startling. Still, Wood's best piece needs no interpretation: the corral, the fence, the barns and the towers are surprisingly convincing be-



cause of their realistic forms. Other tableaux, like "Ranch Henge," a rusted corral signed with the paw of the sun, are self-conscious symbols which appeal more to the mind than the eye. Still, Wood has designed most of Ronch to appeal to a general audience. For some residents of the area Wood's project strikes a deeper chord. Says neighbor Jerry Dover: "It is exciting to see the tradition portrayed as something vibrant, not dying."

While Ronch is in its finished form appears disarmingly simple, its execution was a complex, painstaking process. For Wood, who established a solid reputation as an innovative teacher and artist in England before emigrating to Vancouver in 1974, the business and production sides of the project were almost as demanding as his artistic efforts. First, Wood created a smaller-scale interior version of Ronch in a Vancouver gallery in 1981. Then he leased the 2,000-acre Backy Mountain Ranch near Frijoles Alta, for \$25,000 and began designing his dream project a year ago in a Barnaby, B.C., warehouse. Wood's supporters solicited patrons, and so far about 50 donors have raised \$450,000 of the necessary \$500,000.

The shortfall in funds and wet weather delayed the opening of Ronch from July until last week. The work will be open to the public for only three weekends in October, these organizers plan some winter and spring showings before Ronch reopens next summer. In the fall of 1984 Wood will dismantle it forever in order to pursue other artistic projects. Ultimately, photo-documentation will give the work its permanence.

For Wood, Ronch will be successful if it directs the viewer into new ways of looking at the environment. "There is a lot of nature we miss," he says. "But if you throw in bright colors and unexpected elements, you perceive nature differently." Certainly the foothills will never look the same for viewers of Ronch. —LORIAN BLOOMER in Calgary

FOR THE RECORD

Man with a classic horn

HAYDEN/HUMMEL/L. MOHART
TRUMPET CONCERTOS
Wynton Marsalis (trumpet)
Conducted by Raymond Leppard
(on Masterworks)

When New Orleans jazz trumpeter Wynton Marsalis was only 17, the classically minded staff of the Berkshire Music Center in Massachusetts awarded him its award for outstanding brass player. Said Marsalis, now 21: "I could also say I'll have shocked they were that a black kid my age could play their music so well." Critics have hailed him as one of the most remarkable jazz artists to emerge in years, now Marsalis has made a stunning classical recording debut. Many elements of his performance are exceptional: his respect for the poised shewmanship of the concertos, his painstaking restraint, his self-effacing handling of melody; and the innocent way he mistakes a formidable vase of bells in the bravura finale of the Hummel concerto without disturbing the equilibrium of the music. Throughout, he produces a sparkling bell-like sound, both vital and assertive but also precious and somehow vulnerable.

VIOLA NOUVEAU
Beethoven Violin Concerto (Violin)
(Klavierhaus)

The virtuosity on display on Viola Nouveau reveals a world-class talent. Viola (Gidon Kremer) grew up in Berlin, came to Canada in 1975 and is currently professor of viola at the University of Toronto. Her playing—salty and uncompromised, serious and declarative—forces a fresh appraisal of an instrument that music lovers too often admire in a jazy view of the viola. Unsurprisingly, Gidon-Kremer has chosen five pieces by contemporary Canadian composers which are of mixed quality. The most successful by far is Plouffe, a sinuistic piece by David Jaeger for electric viola featuring some eerie electronic reverberations. Milton Rosen's *Lamentations of Jerusalem* is workmanlike if unexceptional; André Pelton's *Impressions 70* is more challenging but sounds too much like an exercise drill; the recording has a startling beauty—appropriate for a soloist who is riveting in concert. —JOHN FRANKS

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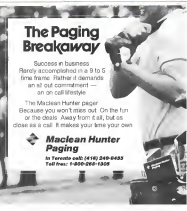
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Service, who, at the request of a Congressional committee, evaluated the valve last year. "This really involves new scientific principles. It will take time for people to come to grips with it."

But what concerns industry is not so much how but how well the valve works. Still, initial tests, made between 1980 and 1982 by an Environmental Protection Agency-certified laboratory in Denver, the Ethyl Corp., a Detroit chemical research company, and the Ford Motor Co., produced encouraging results. The picture emerging from

these tests, according to Lombardi's report, is that a car fitted with the Weber-Henke valve would average 20-percent more miles per gallon, achieve as much as 40-percent greater power (greater torque) and emit as much as 50-percent fewer pollutants in the exhaust than a similar car without the mechanism. Even more promising, the valve appears to perform well with basic gasoline rather than with expensive, high-octane mixtures with lead or benzene additives in current widespread use. If the initial results bear out, the widespread use of the fit-sized metal device

could lead to a major restructuring of the large oil refineries (which manufacture high-octane gas) and the automotive industry, which is heavily committed to conventional fuel-injected engines.

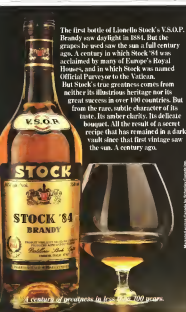
Companies that are directly involved in methanol research are the most active in testing the device. Mario Fisher, vice-president for corporate services at the Bank of America, told Lombardi's "We see the Weber-Henke valve as an enhancement that will make the economics of methanol so good that it cannot be ignored." In tests that the bank and the huge U.S. telecommunications conglomerate GTE sponsored this summer on one of the B of A's fleet of 276 methanol-powered cars, the valve brought the fuel efficiency of the cheaper methanol fuel up to that of gasoline, according to Fisher.

Still, some critics dispute the valve. The U.S. department of transportation—through the National Highway Traffic Safety Administration (NHTSA) and Chrysler Corp.—tested the device in a conventional gasoline car last spring. Saul Philip Davis, chief of the crashworthiness research division at NHTSA. "We found that the Weber-Henke valve did not improve fuel economy, emissions were slightly worse, drivability was worse, performance was worse. The only area that skewed up in their favor was the octane requirement." For their part, the inventors dispute the manner in which the government conducted its tests and look to the California tests for vindication.

As well as the debate over whether to get the device works, there is also considerable controversy over how it works. Harvey Palmer is a chemical engineer at the University of Rochester. The inventors frequently say that his theoretical work explains the new science behind their double-screw device. But Palmer is skeptical. "I would not agree that they have found a new way of vaporizing a liquid," he declared. "It takes a lot of heat to vaporize." More likely, Palmer believes, is that if the device works it is because the holes in the screws act like "a lot of tiny aerosol cans," spraying the liquid out as a fine mist and "the heat in the engine does the rest."

While it may take months to settle the confusion over the technicalities of the valve, the webmakers could be on the market relatively soon. Depending on the results of the current California tests, GTE will decide whether or not to license and manufacture the valve. But even now, the corporate is confident. "If this thing were a horse," said GTE marketing materials analyst, Michael Lopez, "we would have dropped the testing a year ago."

—PAT O'NEILL/INQUIRY IN TORONTO



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JUSTICE

A new case for custody

In June, 1985, after an emotionally charged 86-day trial, a British Columbia Supreme Court judge declared two-year-old Melody Olson a ward of the province. Judge Douglas Heald reached his decision after hearing evidence from social workers that the baby's parents, Alan and Sherry Olson, were mentally handicapped and incapable of providing proper care. But a year later, when Sherry Olson became pregnant again, the couple took action to ensure that they would keep the baby. They contacted local service agencies to help them learn the necessary skills to become capable parents. Today their second daughter, April, now a healthy 29-month-old, is living with them in New Westminster, B.C. The Olsons are one example of a growing but controversial trend among social service professionals to allow mentally handicapped parents to keep their children, provided that community agencies ensure them adequate support.

That attitude is also surfacing in child-custody decisions across the country. Some social service agencies are concerned that the care and support available to retarded parents in most communities is minimal at best, and as a result many mentally retarded couples remain ill-prepared to take on the arduous task of parenthood. But the trend is not likely to be reversed, given the fact that stigmatization of the mentally retarded is no longer insidiously as routine. And in Ontario the ministry of community and social services is in the process of drafting the children's act, which Minister Frank Denio hopes to introduce in the spring of 1988.

Social service professionals believe that the act will indirectly help mentally handicapped parents to keep their babies. But, some Children's Aid Societies in the province attacked the act, charging that it will make it almost impossible for them to take a child in need of protection from incompetent parents. Erna responded to the charges by saying, "Agencies should only interfere with the way parents raise their children when accepted standards of child care have been violated."

The key words in Erna's statement, according to Toronto family lawyer Susan Hines, are "acceptable standards." Hines, who represents mentally retarded parents seeking custody of their children, points out that in the past judges have ruled in some cases that



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welfare officials should remove children from retarded parents who, with help, might have been capable of providing adequate child care. Said himself: "As soon as the child is put in care, it is incredibly difficult for a parent to demonstrate his or her ability to look after that child."

As early as 1975, in a landmark decision in Kingston, Ont., provincial court Judge George Thomson ruled, "The fact of low parental intelligence should not be taken as determinative in itself of the child's need for protection." The case involved a mentally handicapped couple, Frankie and Bonnie Reeves, and their 2½-year-old daughter, Brenda. Thomson expressed concern over the fact that the little girl lacked proper full-time care, that she had chronic diaper rash and a recurring cold. Yet he also remarked favorably on the strong bond between the child and her father. As a result, Thomson awarded the custody of Brenda to the father provided that he continue to receive a variety of social assistance.

But services specifically designed to help the retarded with parenting remain scarce. Social workers at a two-year-old program in Toronto called the Parent Education Project are currently teaching 38 mothers and fathers such basic skills as how to diaper and feed their babies. Psychologist Maurice Feldman, project director, cautions that the teaching can be slow and frustrating for both social workers and parents. A report on a similar project at the University of Nebraska in Omaha illustrates some of the problems. The study recounts the story of a retarded mother who did not know how to cook. A social worker, who was worried that the woman's child was not gaining weight, taught the mother to make pancakes. As a result, the mother began to feed her child pancakes for breakfast, lunch and dinner.

At the Nebraska project indicates, mentally handicapped parents, even with help, are not always successful. The lack of available support services adds to the problem. Gregory Douglas, an adult protective services worker with the YMCA in Toronto, points out that even in large urban centers there are few programs for retarded parents, especially those who have children over the age of two. One mother and father with whom he works recently expressed concern that their daughter, who is now in Grade 1, can read better than they can. Until comprehensive care becomes widely available in the community, mentally handicapped parents such as the Ottens and the Reeves will continue to make do with what they have, and custody for the retarded will remain controversial.

—JANE MINGAY in Toronto



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Two ways to win a prize

PLUCK

By Jonathan Webb
(McClend and Stewart,
\$10 pages, \$18.95)

LARAO

By David Kendall
(McClend and Stewart,
\$10 pages, \$18.95)

For the first time in the contest's six-year history, the Judges of the 1983 Seal Books \$50,000 First Novel Award decided that two books should share the honor. *Pluck* by Jonathan Webb is solid, well-crafted commercial fiction, a crime novel with a solid and civilized touch and a depth of insight into character reminiscent of British mystery writer P. D. James. *Pluck* would be worth its weight in prize money to any publisher. David Kendall's *Larao*, on the other hand, still seems one draft away from completion, with a badly flawed opening and a tedious ending. But Kendall is greedily reaching for big themes in his story of a wild child plucked from the Amazon



Webb: a solid, well-crafted first novel

jungle and tossed into the worst tangle of adult civilization. In splitting the prize the Seal judges were trying to reward ambition as much as craft.

Pluck describes what happens when

an adversity friends make it to their middle years still mesmerized by the old images of each other. Rich in particular is nostalgia for John Pluck, Cambridge circa 1880. As Webb describes him: "He was the sort of public school product, with the looks of a Greek deity and the natural ascendancy of the captain of the first eleven, that is allegedly best to rule the country, but unaccountably disappears within months of going down from college." Pluck has just enough money that he never has to earn any and just enough energy to excel at his only adult pursuit: sex. In the eyes of the grown-up world, the present-day Pluck is a charming wastrel. But to his five friends he is still the golden boy who fanged their awkward solitary lives into links of a brief, charmed circle. When Pluck finally makes a big mistake—by committing murder—his friends, more prominent and successful than he, conspire instinctively to rescue the fallen hero.

At first, the plot is slow-paced to the point of boredom as Webb works his way through biographies of each of the men's school friends. But from Pluck's crime onward, Webb plays the fictional game brilliantly. Depressed characters become psychotic and full-fledged under the pressure of their conspiracy as each slowly realizes that one for all and all for one is a code only



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The Three Musketeers can live up to Pluck, who is selfless, shallow and oblivious to the pain he causes, resolves his partnership in the end, not for the cause but for saving to be their hero.

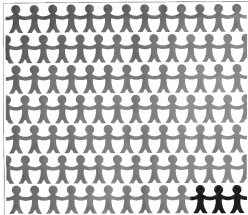
While Webb is always sure-footed, David Kendall, in *Lázaro*, sometimes manages to walk on water but as often lands face down in the mud. The wild child, Lázaro, must be the first fictional character an author ever introduced as an unfertilized egg: he drops into politics in his lusty mother's womb as she delivers a deathblow to a large American fish. A disillusioned Roman Catholic missionary fortifies the egg during a single coupling with Raga Wamoa. Kendall describes his "sex with one with Nature after hearing her 'vum cry'." Then, an anecdote ends the missionary.

Indeed, the entire first part of the book alternates distilly between crude violence and pretentious damage to nature. A scene in which a Colombian cocaine smuggler rapes and kills Lázaro's mother for kicks is mindlessly stomach-turning. The orphaned Lázaro's subsequent adoption by a pod of dolphins does nothing to suspend disbelief. Kendall, a Toronto *Star* reporter who has won the Amazon region firsthand, says that he wanted to "sculptural render with South America by combining two elements which exist side by side in South America—spirituality and violence." But he seems unable to perform a balancing act between the two.

The theme of *Lázaro* is that readers may never penetrate to the middle of the book, where Kendall shows himself to be a promising writer. As soon as Lázaro, the dolphin boy, is kidnapped and dragged into civilization—rescued the author from the jungle of high nature writing—the book becomes light, deft and imaginative. Lázaro quickly picks up the outer trappings of human-kind, but first looks at a poor and nasty orphanage and then at the dangerous streets of South American cities through wide-street eyes. Kendall captures his disjointedness perfectly.

But the ending is, again, disappointing. Lázaro, in a burst of generalized hate, recognizes his mother's murderer, tracks him down and kills him at a Bogotá country club. His act of revenge is the true taming of the wild child. (Woman violence is rareware) and ugly, according to Kendall, and Lázaro is now actively capable of it. But the elements of a more traditional happy ending clutter up that realization. It is as if Kendall embraced certain commercial conventions because of the nature of the contest he was entering: the judges did award him half the prize, after all. But readers will have to wait for his next novel before they can judge him a winner.

—ANNE COLLINS



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A headlong dive into the good life

AN INNOCENT MILLIONAIRE

By Stephen Viscosity
(McGraw-Hill and Stewart,
\$10 paper, \$29.95)

The hero of Stephen Viscosity's *An Innocent Millionaire*, the somewhat 18 years later to its *For Older Women*, is Mark Niven, son of a penniless American actor who romances

through Europe with his wife. Like many powerful parents, the Nivens parents nothing better to argue about than their poverty. That drives young Mark to rebel, he decides to make his fortune. As Viscosity notes of 1960s radicalism, "I don't want what you have" is the cry of the middle-class child whose parents have very little." But Mark respects his freedom and longs for the good life "without either sleeping or studying down." As a result, he sets out at the age of 14 to find the El Dorado, a Spanish-brigantine loaded with the spoils of colonialism which sunk off the Bahamas in

1820. Six years, a love affair, two assassins, heavy retreats and almost 200 pages later, he finds the wreck and his fortune. Viscosity devotes the rest of *An Innocent Millionaire* to Niven's victimization by lawyers and manipulators women, among others.

When *An Innocent Millionaire* is good, it is extremely good, an adventure novel that doubles as a grand moral portrait of the moral aspects of corrupted capitalism. Viscosity can be funny and intelligent about any number of common-sense subjects: despotic politicians, the boredom of family life that mangles as maturity, art dealers, sex ("the 25-minute gap, the always between the sexes") and morally trouble lawyers who manipulate people's hopes from office "Groggled for the purpose of solving big figures secret small." Narrator Viscosity expands, "The state is a firmly... understood by the fact that all concerned know it to be in, is one of the principal activities defined by the term protecting law." An intelligent, decent fact, Niven becomes mortally entangled in contemporary laws, legal and otherwise. The modern age of Viscosity is one in which people honor rich mores (because they are taught that poverty causes crime) and speculate profitably on the weakness of others. Life is "a great wrong," Niven decides, a villainous conviction that "evil is stronger." Only in the book's conclusion does Viscosity demonstrate that chance is stronger still.

Critics in Britain welcomed *An Innocent Millionaire* when it was published there last summer. That is not surprising since the British have long been kind of scientific novelists like *An Innocent Millionaire*. *Esprit* ran off its pages continuously. The cable television news, ranging from sentences of gloom ("No man loves unless he feels he is a child again") to generous, cynical glee ("For a woman to love a man and think he's a genius is one and the same thing"). The author openly admits the 19th-century French writer Honoré de Balzac, who, Viscosity's phrase, "makes sense of life." Whether life can be made sense of and still be life is a question that the novel ignores.

The book's great strength—its idea—is also its weakness. Viscosity keeps his story on these ideas, rather than the other way around. His maxims provide only contradictions, but as a result the novel's arguments lack emotional honesty. *An Innocent Millionaire* is not a reflection of life, but an executive summary of it. The fact that Viscosity's book is apparently destined to be a massive best seller, and that he has sold the film rights for \$750,000, simply proves the writer's point: everyone explains life and art to their own ends. Even novelists.

—IAN RIVKIN

Chronicles of a well-spent time

STORM SIGNALS

By Charles Ritchie
(Macmillan of Canada,
175 pages, \$22.95)

On Sept. 4, 1968, Charles Ritchie, then Canada's high commissioner in London, wrote in his journal "Walking round Grosvenor Square the other evening I contemplated, as a task for my retirement, the editing of my own diaries. They seem to me at the moment so trivial as to be completely unsalvageable, even if they were not full of indignant or explanatory references to living persons which could cause bad feelings." Fortunately, Ritchie set aside his mistakenly low opinion, which was retired in 1971 after 37 years in the foreign service, he overcame his reluctance to publish. The result has been *The Seven Years* (1974), *An Appetite for Life* (1977), *Diplomatic Passport* (1981) and now *Storm Signals*, which details Ritchie's diplomatic life from 1962 to 1971.

The previous books delightfully showed some of the workings of diplomacy. More importantly, they showed the man behind the diplomatic con-



Ritchie: a sophisticated gentleman

front of obvious grace, charm and learning—though the rigors of the real world that in Ritchie's own selection has mood is sometimes black, as his own generation begins to wane and the world endures entirely new types of tensions.

Storm Signals begins with Ritchie's arrival in Washington in 1962. It is an

acute time post as Canadian ambassador. The Kennedy administration left him as much for a long while before he could finally present his credentials. Relations between the two countries were at a point as low as John F. Kennedy and John Kennedy's relations to be understood each other. Diplomats believed Kennedy was actively trying to topple his government. Ritchie, looking at the evidence, seemed to agree, although the evidence recognized and made allowances for Eisenhower's "magnificent, narrow strategic and sterile prodigies." Ritchie's term in Washington, which practically began with the Cuban missile crisis, concluded with the escalation of the Vietnam War in 1968. The conflict put a fresh strain on the relationship between Lyndon Johnson and Lester Pearson. Ritchie, as usual, remained in the middle.

It was a relief to Ritchie to be posted to the United Kingdom in 1967 and find himself "living on a sufficient income in the London mansion of the kind that disappeared from ordinary life 80 years ago, with five servants, a chauffeur and the biggest car in London, with whisky and cigarettes virtually free...." Despite the perquisites and the proximity of old friends like Elizabeth Bowes, the Anglo-Irish novelist, the post was also and truly the most difficult experience of his life. The



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October Crisis created a climate of "anger and fear" even in the London Embassy, and the importance of the external affairs department had become "more and more a branch office of a huge expanding bureaucracy."

Early in *Storm* Stephen Rea reads the diary that his Nova Scotia grandmother kept in 1898. He finds it "dreadful" because its author "had an eye for character, landscape or anecdote."

The failing was definitely not heredity in Rea's own hands: the inscription into world affairs may be reasonably few. The glimpses of embassy life tend to confirm its soft public image ("the chauffeur was drunk again last night"). But for Rea's character, landscape and anecdote are everything.

Storm speaks in a good off-portrait of the sort of cultured individual who once ran the diplomatic service in most of its important functions. Rea is a sophisticated gentleness who responds to real literature and fine painting. He found the Kennedy family superior and could only assume his most polite face when struggling to comprehend self-made men such as London Johnson, John Diefenbaker or Roy Thomson (whom he calls, in the drier, an "old granta"). It is fortunate that Rea's style of polite diplomacy probably lagged in Canada longer than in many other countries and that he has been around to chronicle it. —DAVID FICHTELBERG

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *The Little Drummer Girl*, by David (1)
- 2 *Falcade*, Maclean (3)
- 3 *The Name of the Rose*, Eco (3)
- 4 *Hollywood Wives*, Colson (3)
- 5 *Christine*, King (1)
- 6 *White Gold Wishes*, Donohue (3)
- 7 *The Seduction of Peter S.*, Sanders (3)
- 8 *Witness of the End*, (3)
- 9 *Ancient Enemies*, Maclean (3)
- 10 *Excerpt*, Rogers (3)

Nonfiction

- 1 *Isaiah of Excellence*, Peters and Whitman Jr. (3)
- 2 *Wapiti*, Maclean (3)
- 3 *The Price of Power*, Harris (3)
- 4 *Charleston: Miles West Canada*, Wolf (3)
- 5 *The Best of James Herriot*, Bennett
- 6 *The Last Lion*, Manchester (3)
- 7 *Power*, Thomas and Morgan (3)
- 8 *Out On a Limb*, MacLean (3)
- 9 *Outrageous Acts and Everyday Rebellions*, Strasser
- 10 *Joe Foweraker's Workload Book*, Foweraker (3)

(1) Fiction list only

FILMS

The two greatest losses in the world

DANIEL

Directed by Sidney Lumet

The greatest virtue of Daniel, Sidney Lumet's often heartrending adaptation of E.L. Doctorow's *The Book of Daniel*, is its complete lack of sentimentality. Doctorow's novel was, in part, an imaginative, fictional narrative of the fates and Edith Rosenberg conspiracy cases. The Rosenbergs, called the Isaacsons in both the book and the film, were executed in the electric chair in 1954 for conspiring to pass atomic secrets to the Soviets; whether or not they were guilty is still a subject of heated debate. Doctorow was less concerned with the case itself than with the fate of the Isaacsons' children, and Daniel, young Doctorow's screenplay, traces the son's attempts to come to grips with both his past and his parents' guilt, as well as it. As in *Baggage*, Doctorow has pole-vaulted over the facts and captured the spirit of the characters and their fate.

Daniel is Lumet's most complex film, both on the surface and in a deeper sense. The movie alternates with supreme ease from the story of Paul (Mandy Patinkin) and Rachelle Isaacson (Lesley-Ann Cooney), to the modern narrative of young Daniel (Timothy Hutton) and his sister, Susan (Amanda Plummer). The bearded, long-haired Daniel of the 1960s is ambivalent about the past, and it is a tribute to Hutton's performance that Daniel's bitterness clearly becomes a catharsis to keep him sane. Susan is less lucky: when the film opens, she has left her writing in the workshop of a Hollywood inn "What if she's not [it]?" Daniel asks those adoptive parents, the Lewins (John Rothman and Maria Tucci) "What if she's impossible?" If ever there were a portrait of the inexpressible it is Plummer as Susan, with her strange, childlike voice and her startling, violent features. When Daniel visits Susan at an asylum, her eyes dart around like a cowed animal's and her laughter shivers

with underlying hysteria. The role is small, the performance is profound.

Susan and Daniel are orphans of the storm, shuttled back and forth between the Isaacson lawyer (Ed Asner), an obsessive aunt (Julie Kavner) and a children's shelter. Imprisonment in their legacy—one that Susan cannot shrug off and, for Daniel, a dot of loose

synagogue. Anding Bartokovich (The Verdict, *Prince of the City*) The 1960s and 1960s scenes have a yellow-pink glow, the modern scenes are mostly saturated with deep blues. The colors merge toward the end, as the film crosses between two functions, and it is primarily appropriate. Each scene changes its hue.



Patinkin's outside strength and the electric chair

Throughout the film Daniel occasionally appears in full close-up, explaining in a controlled, almost robotic way the various forms of execution and throughout history Lumet interposes shots of hands being placed into the manacles of the electric chair throughout the entire movie. An might be expected, the actual execution scenes are overpowering, although the little tip dance of death that Paul performs as the current runs through him is an as-forgetting check to the viewer's system. Wisely, Lumet concentrates on the plight of the Isaacsons rather than the battle of ideologies that took place in court. But he misses the sexual electricity between Paul and Rachelle, and Patinkin's performance as the ineptness and suffering Paul is too broad. The real poignancy is left to Cooney as the true, painful, to be strong, maternal and calm.

It is perhaps asking too much for a film adaptation of a complex novel to get everything right. The movie-makers have, with a few exceptions, done a superb job. The film is a triumph. It is perhaps asking too much for a film adaptation of a complex novel to get everything right. The movie-makers have, with a few exceptions, done a superb job. The film is a triumph. It is perhaps asking too much for a film adaptation of a complex novel to get everything right. The movie-makers have, with a few exceptions, done a superb job. The film is a triumph.

—LAWRENCE O'TOOLE

The enveloping hell of sadism

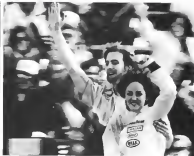
MERRY CHRISTMAS,
MR. LAWRENCE
Directed by Nagisa Oshima

Set in 1942 as a *deka* prisoner of war camp, *Merry Christmas, Mr. Lawrence* explores savagely and with extreme violence how war breeds sadism. In the midst of two cultures clashing explicitly there is only a narrow ray of hope—a single moment of kindness when a Japanese officer says "Merry Christmas, Mr. Lawrence" to a British one—so left the viewer out of an outlying hell. John Lawrence himself (Tom Cress) is the son of a nurse, a homosexual and epileptic, yet he is so much for the medical strain that pervades the camp. The violence of repressed homosexual tendencies takes over as the new camp commander, Yano (Ryuzo Sakuma), tries to break the spirit of the conscientious prisoner Jack Collins (David Bowie), all the while desiring him. By Christmas (the previous sense of time is vague) the tensions have reached boiling point. Lawrence and Collins spend the night talking they are awaiting death until a reprieve arrives from the brutal Sgt. Hara (Takashi), who releases them with the macabre title phrase. Then the strictest continue, and the phrase begins to haunt the movie.

Director Nagisa Oshima (in the *Araki* of the *Senses*) subtly captures the entire tension between Collins and Yano not through dialogue, but with camera, probing the actors' responses from. The film is shot in an austere Japanese style with elegance of selection. In a desperate attempt to stop the slaughter of men prisoners, Collins joins Yano to turn the camp into a place upon himself. Lured over in slow motion, it becomes the loss of death. Yano berates Collins up to the neck and leaves him to rot in the sun.

However, a brutal shot of a butterfly flying on his floating head points to ultimately straighten out. Although it is often argued, the film lacks a narrative grace either editing transitions and an extended flashback sequence involving Collins' confessions, visible and stroke of innocent chords.

All the power of the story and the performance are more than redeeming. Both Sakuma (who also wrote the memorable score) and Bowie are riveting. But it is Cress, who with his prodigious ability to transcend physical and emotional pain through the slightest gesture and expression, embodies the film's affecting, refreshingly poignant spirit. —L.O.T.



Redelfs and Edwards: a startlingly brilliant portrayal of a stock-car race

A race for personal survival

HEART LIKE A WHEEL
Directed by Jonathan Kaplan

Bonnie Bedelia's performance as stock-car racer Shirley Muldowney in *Heart Like a Wheel* is startlingly brilliant. Formerly an actress with a rather stammering quality (she played the pregnant wife in *They Shoot Horses, Don't They?*), Bedelia is not really a known quantity. As a result, her dazzling work in the true-to-life *Heart Like a Wheel* is as unexpected as Sally Field's was in *Sylvia*. Jonathan (Over the Edge) Kaplan's intensely likeable movie traces Muldowney's career from her first attempts at racing in Salamanca, N.Y., in 1966 to her unprecedented second National Hot Rod Association World Championship in 1969. Less about racing than personal struggle, *Heart Like a Wheel* also concerns the relationships of three men who supported, cherished and drove Muldowney to her triumphs.

Kaplan, who directs with considerable flair, opens with a marvelous sequence shot in monochrome, while Shirley, as a young girl, sits on the lap of her basketball father (Ray Aton) as he drives his car, he hands the wheel to her and floors the accelerator. Shirley inherits both her courage and her fearful fascination with speed from her father but, years later in 1966, she is only a teenage waitress carrying a torch for a local goatee, Jack Muldowney (Lee Remick). Jack is a never-ending enigma; but he is not prepared for Shir-

ley's continuing success after she first races for grocery money. Gracefully, Bedelia keeps the movie away from easy feminism. Shirley Muldowney's struggle to break the gender barrier in racing was not that of a woman fighting ahead for all women, but for her own survival.

Dread the limelight and feeling exasperated for not being the head-winsler, Jack begins to resent his wife's success. When she leaves him after a violent, violent encounter, she calls their son (Anthony Edwards) from a pay phone, telling him that she is leaving and will need for him. The play of tension, regret, terror and a shade of hope across Bedelia's face makes that scene memorable. And her grief over her father's death (Aton is such a charming actor that the audience will share her emotion) is devoid of any mannerism. Bedelia's performance is so deeply felt, explored and wisely restrained that it harnesses any wonder of acting.

Shirley's life forges ahead head in hand with disappointment and frustration. Another champion driver, Connie Kalitta (Joan Bridges), eventually becomes her lover and competitor. Although they stay together for a long time, Connie doesn't keep in hands of other women. Bridge wonderfully balances his character between charmer and lost. For her part, Shirley is left alone with her father, which Bedelia matches every mile and minute of the way. —LAWRENCE OTTOLOU

The dangers of a little learning

EDUCATING RITA
Directed by Lewis Gilbert

The best reason for seeing *Educating Rita*, an update of the Pygmalion story, are Michael Caine and Julie Walters. Caine's role as Frank Bryant, an aloof professor of literature, is a challenge to his recent conspiracy as across. Filled with self-loathing over his failures as a poet, Bryant is a man who has almost washed rock bottom. He shows up drunk at his classes and puts a bottle out from behind his shelf. But a new private pupil, Rita (newcomer Walters), breathes into Bryant's staid study and clearly brings him back to life.

Although *Educating Rita* is not conventionally written and occasionally betrays its stage origins, Walters' entertaining and touching performance overcomes such objections. Her husband wants only two things in life: beer and babies. Refusing to provide him with the babies until she learns "to sing a better song," she acquires all the knowledge she has wanted and eventually she leaves her book-learning spouse. But a little learning is a dangerous thing, and Bryant watches as Rita's naive optimism to the pretentiously spry and her natural wit abundant her Achaian of her ignorance. Rita makes the mistake of confessing intelligence (which includes emotional sensitivity) with learning (which does not necessarily).

Julie Walters is a kind of British Judy Holliday: even her hair looks alert, and she walks precariously in her high heels. The woman who is constantly on the brink of a bout. When Bryant shows her a copy of E.M. Forster's *Howards End*, she comments on her malapropism (think accent, "sounds like, doesn't it") and continues to puff away on her Redwings. Rita is humble and trusting—Bryant admires her, especially, for his love with those qualities. But she soon changes from the ingenuite, drudge housewife to a more seasoned, less naive know-it-all. A song sequence replaces the light of discovery that glows on her face.

As the point where *Educating Rita* begins to question the value of knowledge, the movie takes on a slightly anti-intellectual tone. Playwright-screenwriter Willy Russell (he's not exactly figured out where he stands on the subject. Only Caine and Walters, and the performance rhythm they develop, prevent *Educating Rita* from seeming as much as a tedious lesson. —L.O.T.

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Growing up under P. E. Trudeau

By Don McGillivray

The Ottawa press corps owes Pierre Trudeau more than it will ever admit. There won't be much merriment at the National Press Club bar when, one of these days, he puts out his paw. The relatively untroubled, unassured, one of arrogant and contempt on the Prime Minister's side and a somewhat spiteful sense of injury among the left and issues of the mass media. But Trudeau's refusal to meet the press corps in the past 10 years has forced it to be more independent than ever intended or wished to become.

Ottawa is a cozy place. The power holders, the power brokers, the power seekers and the power voyagers all know each other. As they stroll on the Sparks Street Mall and table-top in the parliamentary restaurant, it's easy for journalists to imagine that they've made it into the inner circles of power.

Leslie Pearson used to foster the illusion by having selected surties for his sandwiches on the back porch of 24 Sussex Drive. He'd ask them what they thought he ought to do about pensions or public service collective bargaining and other weighty affairs of state, and they'd solemnly give him their opinions. These sessions may have done Pearson a bit of good. He was at his best in face-to-face conversation. But then, a well-worn, a somewhat remote about him, and he tended to have fans in the press gallery rather than critics.

John Diefenbaker treasured evening. He liked to relax by swapping stories with pals, like the gang who used to sit around the general store or the hardware shop in the little towns of Saskatchewan. And there were always press gallery people who had privileged access, although the list dwindled as the hostility between press gallery and prime minister grew.

Steve Maclean's King used to invite Grant Dexter of the *Whispering Tree Press* for tea and a chat. And he created the newspaperman as well as his dog "Have a hunkin', Dexter," he'd say, as he tossed a cookie in the general direction of both, giving the *Free Press* man the option of catching it with his hand or his teeth.

None of this for Trudeau. He has been known to go canoeing with Craig Oliver of *CBC*. But he has had no real press critics. He refused this year to endure the evident pain of sitting through the

annual press gallery dinner. His press conferences have almost ceased, and his few contacts with reporters are stiff and uncomfortable.

Trudeau's attitude has been a major factor in changing the old shammy press gallery into a diffused and more independent press corps. No longer does the life of the Ottawa journalism centre on the gallery of the Commons, where there are seats for only about 70 of the 300 people who belong—mostly for reasons of convenience—in the Parliamentary Press Gallery. They visit the House as would it be to make a statement or to see an intended or wished to become.

In the old days of King, St. Laurent and even Diefenbaker, most press gallery members were in the pockets of the Grits and the rest were in the pockets of the Tories. Now few have any such allegiance. What's more, a factor, in the fact that the number of journalists has tripled in the past 20 years. But Trudeau's refusal to admit any reporter to

Mulroney is a crony seeker, but Trudeau made the press corps more independent and more professional

the innermost of the inner circles has devalued all inner circles.

This is a problem for Brian Mulroney, who is a crony seeker on the model of Diefenbaker. Like Premier Hield of New Brunswick, Mulroney is a bit of a media groupie and carefully cultivated a list of press pals as he climbed the slippery slope to the Tory leadership.

But having been forced into more independence by circumstance and Trudeau, today's press corps like the feeling of being nobody's man and woman. So there's some resentment of the Mulroney cronies who are prepared to take up the old rule as their man waits in Ottawa for his coronation as prime minister.

That's why there was little attempt to conceal the plot of many members of the Ottawa press corps when Mulroney's grand entrance into Parliament turned out to be something out of a Dexter Keston novel. The great man snarled into the House and turned his human profile to give the folks the benefit of his best side. Then lapso! The Grits snicker-patched him again and again.

Mulroney will learn, the hard way, to handle himself better in the Commons. But he's going to have trouble with the press corps. It's not that they are firmly attached to the Liberals, as some have suggested. Anything but. Many of them want to see Trudeau go so badly that they can't wait for his retirement and keep predicting it prematurely. A few want so much to see Trudeau depart that they're trying to go easy on Mulroney so give him a chance. That in itself tells a lot. If Mulroney's men were ruling, as Trudeau's men ruled in 1980, they would have to restrain their enthusiasm rather than pump it up.

Mulroney is an offhanded subject of press corps addiction, anyway. He's a bit too smooth and surfer-charming, too much of a "Captain Plastic" as he's sometimes called among the press corps. Trudeau in 1968 was refreshingly different. Mulroney is out of the old mould of the full-of-blame politician, but with a thin skin that may be his undoing. Trudeau has survived the worst press any Canadian prime minister ever had by being oblivious to it, or at least pretending that he is. Mulroney will have to quit being touchy if he wants to survive long enough to become prime minister.

There's a chance that Mulroney will learn his way into the hearts of the press people, ultimately tough but invariably soft as they are. Nothing is impossible. But it's a mighty slim chance. He has got matters less on the national press corps now than what you know. The shifty to realize the importance of the media is the kind of paper that flows from the federal government is more important now than hot tips on this policy or that. For one thing, the policies turn out to be mostly fan-fans with catchy names and no substance. And even this is already the type of thing Mulroney has tried before and after becoming Conservative leader, there's little reason to think that a government he heads will be much different.

Under Pierre Trudeau's malign neglect, the Ottawa press corps has grown up. It's more professional, better educated and trained, less likely to have its head turned by a flashing smile or a policy giveaway. When press people meet the founding fathers of their profession, they're unlikely to mention him. But he deserves a place in their pantheon.

Don McGillivray is national conscience editor for *Southam News*.

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